

---

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

---

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in Easyknit International Holdings Limited, you should at once hand this circular to the purchaser or transferee or to the bank, licensed securities dealer, registered institution in securities, or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

---



**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  
PROPOSED ACQUISITION OF PROPERTIES**

---

\* For identification purpose only

---

## CONTENTS

---

	<i>Page</i>
<b>DEFINITIONS</b> .....	1
<b>LETTER FROM THE BOARD</b> .....	4
<b>APPENDIX I — FINANCIAL INFORMATION OF THE GROUP</b> .....	I-1
<b>APPENDIX II — UNAUDITED FINANCIAL INFORMATION OF THE PROPERTIES</b> .....	II-1
<b>APPENDIX III — UNAUDITED PRO FORMA STATEMENT OF ASSETS AND LIABILITIES</b> .....	III-1
<b>APPENDIX IV — PROPERTY VALUATION REPORT</b> .....	IV-1
<b>APPENDIX V — GENERAL INFORMATION</b> .....	V-1

---

## DEFINITIONS

---

*In this circular, the following expressions shall have the following meanings unless the context otherwise requires:*

“Acquisitions”	the proposed acquisition of the Properties by the Purchaser
“Agreements”	together the Formal Agreements and the Provisional Agreements
“Board”	the board of Directors
“Chan Formal Agreement”	the formal sale and purchase agreement for the sale and purchase of the Chan Property, entered into between the Purchaser and Chan Man Wah dated 11 May 2011
“Chan Property”	the Second Floor of Block A of Nos. 301, 301A-C Prince Edward Road West, Kowloon
“Chan Provisional Agreement”	the provisional sale and purchase agreement for the sale and purchase of the Chan Property, entered into between the Purchaser and Chan Man Wah on 27 April 2011
“Chuang Formal Agreement”	the formal sale and purchase agreement for the sale and purchase of the Chuang Property, entered into between the Purchaser and Chuang Yung Hua and Lam Shun Ling Pion dated 11 May 2011
“Chuang Property”	the First Floor of Block D of Nos. 301, 301A-C Prince Edward Road West, Kowloon
“Chuang Provisional Agreement”	the provisional sale and purchase agreement for the sale and purchase of the Chuang Property, entered into between the Purchaser and Chuang Yung Hua and Lam Shun Ling Pion on 27 April 2011
“Company”	Easyknit International Holdings Limited, 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
“Easyknit Enterprises”	Easyknit Enterprises Holdings Limited, an exempted company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange
“Formal Agreement(s)”	the Friendly Bright Formal Agreement, the Phuong Formal Agreement, the Chuang Formal Agreement, the Chan Formal Agreement and the Leung Formal Agreement

---

## DEFINITIONS

---

“Friendly Bright”	Friendly Bright Development Limited, which, to the best of the Directors’ knowledge, information and belief, after having made all reasonable enquiries, is an investment holding company, and it and its ultimate beneficial owners are Independent Third Parties
“Friendly Bright Formal Agreement”	the formal sale and purchase agreement for the sale and purchase of the Friendly Bright Properties entered into between the Purchaser and Friendly Bright dated 11 May 2011
“Friendly Bright Properties”	the Ground Floor of Block A, First Floor of Block A, Ground Floor of Block B and Ground Floor of Block D of Nos. 301, 301A-C Prince Edward Road West, Kowloon
“Friendly Bright Provisional Agreement”	the provisional sale and purchase agreement for the sale and purchase of the Friendly Bright Properties, entered into between the Purchaser and Friendly Bright on 27 April 2011
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party”	a third party who, to the best of the Directors’ knowledge, information and belief, and having made all reasonable enquiries, is independent of the Company and of connected persons (as defined in the Listing Rules) of the Company
“Latest Practicable Date”	31 May 2011, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Leung Formal Agreement”	the formal sale and purchase agreement for the sale and purchase of the Leung Property, entered into between the Purchaser and Leung Oi Lin dated 9 May 2011
“Leung Property”	the Second Floor of Block B of Nos. 301, 301A-C Prince Edward Road West, Kowloon
“Leung Provisional Agreement”	the provisional sale and purchase agreement for the sale and purchase of the Leung Property, entered into between the Purchaser and Leung Oi Lin on 27 April 2011
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

---

## DEFINITIONS

---

“Magical Profits”	Magical Profits Limited, a company incorporated under the laws of the British Virgin Islands with limited liability, which beneficially owned 29,179,480 Shares as at the Latest Practicable Date
“Phuong Formal Agreement”	the formal sale and purchase agreement for the sale and purchase of the Phuong Property, entered into between the Purchaser and Phuong Ngoc Hoa dated 11 May 2011
“Phuong Property”	the First Floor of Block B of Nos. 301, 301A-C Prince Edward Road West, Kowloon
“Phuong Provisional Agreement”	the provisional sale and purchase agreement for the sale and purchase of the Phuong Property, entered into between the Purchaser and Phuong Ngoc Hoa on 27 April 2011
“Properties”	the Friendly Bright Properties, the Phuong Property, the Chuang Property, the Chan Property and the Leung Property
“Provisional Agreement(s)”	the Friendly Bright Provisional Agreement, the Phuong Provisional Agreement, the Chuang Provisional Agreement, the Chan Provisional Agreement and the Leung Provisional Agreement
“Purchaser”	Hansford International Investment Limited, a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of the Company
“Sea Rejoice”	Sea Rejoice Limited, a company incorporated under the laws of the British Virgin Islands with limited liability, which beneficially owned 17,429,664 Shares as at the Latest Practicable Date
“Sellers”	Friendly Bright, Phuong Ngoc Hoa, Chuang Yung Hua and Lam Shun Ling Pion, Chan Man Wah, and Leung Oi Lin
“Shareholder(s)”	holder(s) of Shares
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%” or “per cent.”	percentage or per centum

---

LETTER FROM THE BOARD

---



**EASYKNIT INTERNATIONAL HOLDINGS LIMITED**

**永義國際集團有限公司\***

*(incorporated in Bermuda with limited liability)*

**(Stock Code: 1218)**

*Executive Directors:*

Mr. Kwong Jimmy Cheung Tim  
*(President and Chief Executive Officer)*  
Ms. Lui Yuk Chu  
*(Vice President)*  
Ms. Koon Ho Yan, Candy

*Non-executive Director:*

Mr. Tse Wing Chiu, Ricky

*Independent Non-executive Directors:*

Mr. Tsui Chun Kong  
Mr. Jong Koon Sang  
Mr. Hon Tam Chun

*Registered office:*

Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

*Head office and principal place of  
business in Hong Kong:*

Unit A, 7th Floor  
Hong Kong Spinners Building, Phase 6  
481-483 Castle Peak Road  
Cheung Sha Wan  
Kowloon  
Hong Kong

3 June 2011

*To the Shareholders*

Dear Sir or Madam,

**MAJOR TRANSACTION  
PROPOSED ACQUISITION OF PROPERTIES**

The Company announced that on 27 April 2011, the Purchaser, a wholly-owned subsidiary of the Company, entered into five Provisional Agreements with the Sellers, pursuant to which amongst other things the Purchaser agreed to acquire, and the Sellers agreed to sell, the Properties for a total consideration of HK\$131,300,000. As at the Latest Practicable Date, the Formal Agreements have been entered into for each of the Properties.

The purpose of this circular is to set out details of the Provisional Agreements and the Formal Agreements and to provide you with further information in relation to the Acquisitions.

---

## LETTER FROM THE BOARD

---

### THE PROVISIONAL AGREEMENTS AND FORMAL AGREEMENTS

The key terms of the Provisional Agreements and Formal Agreements are as follows:

#### A) **Friendly Bright Provisional Agreement and Friendly Bright Formal Agreement**

##### **Date**

27 April 2011 (Friendly Bright Provisional Agreement)

11 May 2011 (Friendly Bright Formal Agreement)

##### **Parties**

(i) Friendly Bright, as seller

(ii) the Purchaser

Friendly Bright is an investment holding company and Friendly Bright and its ultimate beneficial owners are Independent Third Parties.

##### **Assets to be Acquired**

The Purchaser will acquire the Friendly Bright Properties from Friendly Bright at an aggregate consideration of HK\$83,000,000. An initial deposit of HK\$4,150,000 was paid by the Purchaser upon signing of the Friendly Bright Provisional Agreement and a further deposit of HK\$4,150,000 was paid by the Purchaser upon signing of the Friendly Bright Formal Agreement. A third deposit of HK\$8,300,000 will be payable by the Purchaser on or before 11 July 2011. All deposits will be held by the solicitors of Friendly Bright as stakeholders, and such deposits shall not be released to Friendly Bright unless it is proved that the balance of the purchase price is sufficient to discharge the existing mortgage or charge over the Friendly Bright Properties. The balance of the consideration for the Friendly Bright Properties, being HK\$66,400,000, will be paid upon completion, which is scheduled to take place on or before 30 September 2011.

The Friendly Bright Properties are sold subject to and with the benefit of existing tenancies.

The Ground Floor of Block A and the Ground Floor of Block D of Nos.301, 301A-C Prince Edward Road West, Kowloon, being two of the units comprising the Friendly Bright Properties, are currently on lease at an aggregate rate of HK\$64,000 per month (excluding rates and management fees which are paid by the tenant), and are currently used for commercial and residential purposes. The lease commenced on 1 May 2009 and will expire on 30 April 2012, subject to early termination by the landlord under specified circumstances. The tenant has a right to renew the tenancy for a further two years, in which case the rental under the renewed tenancy shall not be increased by more than 10% of the rental under the current tenancy.

The First Floor of Block A of Nos.301, 301A-C Prince Edward Road West, Kowloon, being one of the units comprising the Friendly Bright Properties, is currently on lease at the rate of HK\$24,000

---

## LETTER FROM THE BOARD

---

per month (excluding rates and management fees which are paid by the tenant), and is currently used for commercial and residential purposes. The lease commenced on 16 October 2010 and will expire on 15 October 2012, subject to early termination by the landlord under specified circumstances. The tenant has a right to renew the tenancy for a further one year at the same rent.

The Ground Floor of Block B of Nos.301, 301A-C Prince Edward Road West, Kowloon, being one of the units comprising the Friendly Bright Properties, was on lease at the rate of HK\$63,000 per month (excluding rates and management fees which were paid by the tenant), for commercial and residential purposes. The lease commenced on 1 May 2009 and expired on 30 April 2011. A new lease was entered into with the same tenant in respect of this Property on 7 April 2011 which commenced on 1 May 2011 and will expire on 30 April 2013 subject to early termination by the landlord under specified circumstances. The monthly rent under the new lease is HK\$80,000 per month (excluding rates and management fees which are paid by the tenant). This Property is currently used for commercial and residential purposes.

Based on information available to the Company in respect of the rental and other outgoings relating to the Friendly Bright Properties, the net rental income which the Company estimates would have been generated from the Friendly Bright Properties before and after property tax is as follows:

Ground Floor of Block A and the Ground Floor of Block D: HK\$704,000 and HK\$587,840 respectively for the period from the commencement of the tenancy to 31 March 2010, and HK\$768,000 and HK\$641,280 respectively for the year ended 31 March 2011.

First Floor of Block A: HK\$132,000 and HK\$110,220 respectively for the period from the commencement of the tenancy on 16 October 2010 to the year ended 31 March 2011.

Ground Floor of Block B: HK\$678,600 and HK\$566,631 respectively for the period from the commencement of the tenancy to 31 March 2010, and HK\$741,600 and HK\$619,236 respectively for the year ended 31 March 2011.

Subject to receiving a written undertaking and indemnity from the Purchaser to, amongst other things, hold and refund all rental deposits (if any) to the respective tenants of the Friendly Bright Properties in accordance with the terms of the tenancy agreements, Friendly Bright will transfer all rental deposits (if any) from the tenancy agreements to the Purchaser.

All stamp duty payable on the Friendly Bright Formal Agreement and the subsequent assignment will be borne and paid by the Purchaser.

### **B) Phuong Provisional Agreement and Phuong Formal Agreement**

#### **Date**

27 April 2011 (Phuong Provisional Agreement)

11 May 2011 (Phuong Formal Agreement)



---

## LETTER FROM THE BOARD

---

### **Parties**

- (i) Phuong Ngoc Hoa (now known as Chan Man Wah), as seller
- (ii) the Purchaser

Phuong Ngoc Hoa, an individual, is an Independent Third Party.

### **Assets to be Acquired**

The Purchaser will acquire the Phuong Property from Phuong Ngoc Hoa at a consideration of HK\$18,000,000. An initial deposit of HK\$900,000 was paid by the Purchaser upon signing of the Phuong Provisional Agreement and a further deposit of HK\$900,000 was paid by the Purchaser upon signing of the Phuong Formal Agreement. A third deposit of HK\$1,800,000 will be payable by the Purchaser on or before 11 July 2011. All deposits will be held by the solicitors of Phuong Ngoc Hoa as stakeholders, and such deposits shall not be released to Phuong Ngoc Hoa unless it is proved that the balance of the purchase price is sufficient to discharge the existing mortgage or charge over the Phuong Ngoc Hoa Property. The balance of the consideration for the Phuong Property, being HK\$14,400,000, will be paid upon completion, which is scheduled to take place on or before 30 September 2011.

All stamp duty payable on the Phuong Formal Agreement and the subsequent assignment will be borne and paid by the Purchaser.

The Phuong Property will be delivered with vacant possession on completion.

### **C) Chuang Provisional Agreement and Chuang Formal Agreement**

#### **Date**

27 April 2011 (Chuang Provisional Agreement)

11 May 2011 (Chuang Formal Agreement)

#### **Parties**

- (i) Chuang Yung Hua and Lam Shun Ling Pion, as sellers
- (ii) the Purchaser

Chuang Yung Hua and Lam Shun Ling Pion, two individuals, are Independent Third Parties.

#### **Assets to be Acquired**

The Purchaser will acquire the Chuang Property from Chuang Yung Hua and Lam Shun Ling Pion at a consideration of HK\$7,000,000. An initial deposit of HK\$350,000 was paid by the Purchaser upon

---

## LETTER FROM THE BOARD

---

signing of the Chuang Provisional Agreement and a further deposit of HK\$350,000 was paid by the Purchaser upon signing of the Chuang Formal Agreement. A third deposit of HK\$700,000 will be payable by the Purchaser on 11 July 2011. All deposits will be held by the solicitors of the sellers of the Chuang Property as stakeholders, and such deposits shall not be released to the sellers of the Chuang Property unless it is proved that the balance of the purchase price is sufficient to discharge the existing mortgage or charge over the Chuang Property. The balance of the consideration for the Chuang Property, being HK\$5,600,000, will be paid upon completion, which is scheduled to take place on or before 30 September 2011.

The parties to the Chuang Provisional Agreement and Chuang Formal Agreement intend to enter into a licence agreement on or around the time of completion of the acquisition of the Chuang Property, pursuant to which the sellers of the Chuang Property will be granted a licence to continue to use the Chuang Property until 14 March 2012 during which time, all government rent and rates, management fees and charges for water, gas, electricity, telephone and other outgoings payable in respect of the Chuang Property shall be borne and paid by the sellers of the Chuang Property. HK\$100,000 will be deducted from the balance of the purchase price to be received by the sellers of the Chuang Property for the Chuang Property and held as security for the licence. The deposit will be returned to the sellers of the Chuang Property within seven business days of them delivering vacant possession of the Chuang Property, provided that no other charges on the Chuang Property are outstanding.

All stamp duty payable on the Chuang Formal Agreement and the subsequent assignment will be borne and paid by the Purchaser.

### **D) Chan Provisional Agreement and Chan Formal Agreement**

#### **Date**

27 April 2011 (Chan Provisional Agreement)

11 May 2011 (Chan Formal Agreement)

#### **Parties**

- (i) Chan Man Wah, as seller
- (ii) the Purchaser

Chan Man Wah, an individual, is an Independent Third Party.

#### **Assets to be Acquired**

The Purchaser will acquire the Chan Property from Chan Man Wah at a consideration of HK\$10,000,000. An initial deposit of HK\$500,000 was paid by the Purchaser upon signing of the Chan Provisional Agreement and a further deposit of HK\$500,000 was paid by the Purchaser upon signing of the Chan Formal Agreement. A third deposit of HK\$1,000,000 will be payable by the Purchaser on

---

## LETTER FROM THE BOARD

---

11 July 2011. All deposits will be held by the solicitors of Chan Man Wah as stakeholders, and such deposits shall not be released to Chan Man Wah unless it is proved that the balance of the purchase price is sufficient to discharge the existing mortgage or charge over the Chan Property. The balance of the consideration for the Chan Property, being HK\$8,000,000, will be paid upon completion, which is scheduled to take place on or before 30 September 2011.

The Chan Property is sold subject to and with the benefit of an existing tenancy.

The Chan Property and the roof of Block A, Nos 301, 301A-C Prince Edward Road West, Kowloon (which roof does not form part of the Acquisitions) is currently on lease at the rate of HK\$28,000 per month (excluding rates and management fees which are paid by the tenant), and is currently used for residential purposes. The rental attributable to the Chan Property is HK\$26,000, and the rental attributable to the roof of Block A, Nos 301, 301A-C Prince Edward Road West, Kowloon, is HK\$2,000. The lease commenced on 15 May 2009 and will expire on 14 May 2012, subject to early termination by the landlord under specified circumstances. The tenant has a right to renew the tenancy for a further two years, in which case the rental under the renewed tenancy shall not be increased by more than 10% of the rental under the current tenancy.

Based on information available to the Company in respect of the rental and other outgoings relating to the Chan Property, the net rental income which the Company estimates would have been generated from the Chan Property before and after property tax is HK\$294,000 and HK\$249,900 respectively for the period from the commencement of the tenancy to 31 March 2010, and HK\$336,000 and HK\$285,600 respectively for the year ended 31 March 2011.

Subject to receiving a written undertaking and indemnity from the Purchaser to, amongst other things, hold and refund all rental deposits (if any) to the tenant of the Chan Property in accordance with the terms of the tenancy agreement, the seller of the Chan Property will transfer all rental deposits (if any) from the tenancy agreement to the Purchaser.

All stamp duty payable on the Chan Formal Agreement and the subsequent assignment will be borne and paid by the Purchaser.

### **E) Leung Provisional Agreement and Leung Formal Agreement**

#### **Date**

27 April 2011 (Leung Provisional Agreement)

9 May 2011 (Leung Formal Agreement)

#### **Parties**

- (i) Leung Oi Lin, as seller
- (ii) the Purchaser

Leung Oi Lin, an individual, is an Independent Third Party.

---

## LETTER FROM THE BOARD

---

### Assets to be Acquired

The Purchaser will acquire the Leung Property from Leung Oi Lin at a consideration of HK\$13,300,000. An initial deposit of HK\$400,000 was paid by the Purchaser upon signing of the Leung Provisional Agreement and a further deposit of HK\$930,000 was paid by the Purchaser upon signing of the Leung Formal Agreement. All deposits will be held by the solicitors of Leung Oi Lin as stakeholders. The balance of the consideration for the Leung Property, being HK\$11,970,000, will be paid upon completion, which is scheduled to take place on or before 24 June 2011.

The parties to the Leung Provisional Agreement and the Leung Formal Agreement have agreed that the seller of the Leung Property can continue to use the Leung Property for a period of three months after completion. The seller of the Leung Property is required to pay all government rent and rates, management fees and water, gas, electricity and telephone charges during this period.

All stamp duty payable on the Leung Formal Agreement and the subsequent assignment will be borne and paid by the Purchaser.

### REASONS FOR AND BENEFITS OF THE ACQUISITIONS

The Group is principally engaged in property investment and development, securities investment and loan financing, and the Group currently holds various commercial, industrial and residential properties in Hong Kong and Singapore.

The Properties comprise eight out of 12 units in a building situated at Nos. 301, 301A - C Prince Edward Road West, with a total saleable area of approximately 7,764 square feet. The current aggregate rental for the Properties which are subject to leases is HK\$196,000 per month.

The Properties will be used by the Group for investment purposes.

The aggregate consideration of HK\$131,300,000 for the Properties was arrived at after arm's length negotiations between the Purchaser and the Sellers and by reference to the market value of similar properties in similar locations. Based on the valuation of the Properties by independent valuers, the bare site value attributable to the Properties as at 5 May 2011 is HK\$168,666,000.

The Group will fund the Acquisitions from internal resources of the Group and/or bank financing. A standby banking facility for the sum of approximately HK\$390,000,000 has been made available to the Group by Hang Seng Bank Limited, part of which will be used to finance the acquisition of the Properties. The Company has no current plans to conduct any equity fund raising exercise for the purpose of settling the consideration for the Acquisitions.

The Acquisitions will enable the Group to expand its property investment portfolio and increase the income stream of the Group. The Directors also consider that the Properties have potential for appreciation.

---

## LETTER FROM THE BOARD

---

The Directors are of the view that the terms of the Agreements including the consideration are on normal commercial terms, and are fair and reasonable and in the interests of the Shareholders as a whole.

### EFFECTS ON EARNINGS AND ASSETS AND LIABILITIES OF THE GROUP

The Friendly Bright Properties are subject to three tenancy agreements which will expire on 30 April 2012, 15 October 2012 and 30 April 2013 respectively. The Chan Property is also subject to a tenancy agreement which will expire on 14 May 2012. The acquisition of the Properties is expected to lead to increase in rental income (net of expenses) of the Group by approximately HK\$1,168,000 and approximately HK\$1,205,000 for the year ending 31 March 2012 and 31 March 2013, respectively. Two of the tenancy agreements of the Friendly Bright Properties and the tenancy agreement of the Chan Property will expire during the year ending 31 March 2013. Rent of approximately of HK\$78,000 (net of expenses) will be received from the remaining tenancy agreement of the Friendly Bright Properties for the month of April 2013 and there is expected to be no rental income generated by the Properties from May 2013 onwards.

Based on the unaudited pro forma statement of assets and liabilities of the Group as set out in Appendix III of this circular, the effect of the Acquisitions is that the (i) investment properties held by the Group will increase by approximately HK\$141,900,000; (ii) cash reserve will decrease by approximately HK\$26,700,000, which will be applied towards settlement of the consideration for the Acquisitions; (iii) bank borrowings under current liabilities will increase by approximately HK\$5,700,000 being the total amount of the first twelve monthly repayment installments under the banking facility; (iv) bank borrowings under non-current liabilities will increase by approximately HK\$109,000,000 being the remaining repayment installments under the banking facility; and (v) trade and other payables will increase by approximately HK\$500,000 due to the application of the rental deposits to be transferred to the Group towards settlement of the consideration for the Acquisitions. The Group will fund the Acquisitions from internal resources of the Group and/or bank financing.

### WRITTEN SHAREHOLDERS' APPROVAL

The applicable percentage ratios (as defined in the Listing Rules) of the Acquisitions exceed 25% but are less than 100%, and therefore the Acquisitions constitute a major transaction for the Company under Rule 14.06(3) of the Listing Rules. The Agreements and the transactions contemplated thereunder including the Acquisitions are therefore subject to the reporting, announcement and Shareholders' approval requirements under the Listing Rules.

So far as the Company is aware having made all reasonable enquiries, no Shareholder has a material interest in, and would be required to abstain from voting on, the resolution to approve the Acquisitions if the Company were to convene a general meeting for the approval of the Acquisitions.

As at the Latest Practicable Date, 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 is wholly-owned by Ms. Lui Yuk Chu, the Vice President and an executive Director. Magical Profits is wholly-owned by Accumulate More Profits Limited which in turn is wholly-owned

---

## LETTER FROM THE BOARD

---

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 (including Ms. Koon Ho Yan, Candy, the daughter of Ms. Lui Yuk Chu and an executive Director) other than the spouse of Ms. Lui Yuk Chu). Sea Rejoice and Magical Profits are therefore a “closely allied group of shareholders” for the purpose of the Listing Rules.

The Company has received written irrevocable approval of the Provisional Agreements and the transactions contemplated thereunder for the purposes of Rule 14.44 of the Listing Rules from a closely allied group of Shareholders namely Sea Rejoice and Magical Profits. Accordingly, no general meeting of the Shareholders will be held to consider and approve the transactions under the Provisional Agreements.

### ADDITIONAL INFORMATION

Your attention is drawn to the Appendices in this circular.

Yours faithfully,  
For and on behalf of  
**Easyknit International Holdings Limited**  
**Kwong Jimmy Cheung Tim**  
*President and Chief Executive Officer*

**1. FINANCIAL SUMMARY OF THE GROUP**

The audited financial information of the Group for each of the three years ended 31 March 2008, 2009 and 2010 is disclosed in the annual reports of the Company for the years ended 31 March 2008, 2009 and 2010 respectively. The unaudited financial information of the Group for the six months ended 30 September 2010 is disclosed in the interim report of the Company for the six months ended 30 September 2010. The said annual reports and interim report of the Company are available on the Company's website at [www.easyknit.com](http://www.easyknit.com) and the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk).

The financial information of Chief Access Limited, (a wholly-owned subsidiary of the Company, acquired on 19 April 2010 after the financial year ended 31 March 2010) for the period from 1 October 2009 (date of incorporation) to 28 February 2010, prepared by Tony Yuen & Co, is disclosed in Appendix II of the circular issued by the Company on 22 March 2010 in relation to the major transaction involving the acquisition of the entire issued share capital of Chief Access Limited. The said circular of the Company is available on the Company's website at [www.easyknit.com](http://www.easyknit.com) and the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk).

**2. WORKING CAPITAL**

The Directors are of the opinion that, after taking into account the expected completion of the Acquisitions and the present available financial resources and banking facilities of the Group, the Group has sufficient working capital for its present requirements and for the period up to 12 months from the date of this circular in the absence of unforeseen circumstances.

**3. INDEBTEDNESS**

At the close of business on 30 April 2011, being the latest practicable date for ascertaining this information prior to the printing of this circular, the Group had no outstanding borrowings. Its available banking facilities were guaranteed by the Company and were secured by certain investment properties of the Group.

Apart from intra-group liabilities, the Group did not have at the close of business on 30 April 2011 any debt securities issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances (other than normal trade bills) or acceptance credits, debentures, mortgages, charges, finance leases, hire purchase commitments, guarantees or other material contingent liabilities.

**4. FINANCIAL AND TRADING PROSPECTS OF THE GROUP**

The Company is an investment holding company. In March 2010, the Group disposed of its garment sourcing and exporting business, except companies with operations in the United States of America ("USA"), to a subsidiary of its associated company, Easyknit Enterprises. On 30 September 2010, the Directors also resolved to cease the remaining garment distribution business in USA to prevent further loss.

Upon the aforesaid disposal of the garment sourcing and exporting business, the Group was principally engaged in property investment and development. The following sets out the financial and operational prospects of the Group.

### **Financial Review**

During the six months ended 30 September 2010, the Group recorded a turnover of approximately HK\$17,896,000 from its continuing business of property investment and development, representing an increase of approximately 20.1% as compared to approximately HK\$14,897,000 for the corresponding period in the previous year. The rise in turnover was mainly attributable to the rental income derived from properties in Hong Kong and Singapore which were acquired by the Group in December 2009. Total operating expenses amounted to approximately HK\$11,907,000 (six months ended 30 September 2009: approximately HK\$7,329,000). Profit from continuing operations amounted to approximately HK\$254,345,000 (six months ended 30 September 2009: profit of approximately HK\$76,757,000).

During the six months ended 30 September 2010, the discontinued garment sourcing and exporting business contributed approximately HK\$2,138,000 to the turnover of the Group (six months ended 30 September 2009: approximately HK\$226,638,000). As a result of the disposal of the garment sourcing and exporting business in March 2010, the cost of sales decreased significantly to approximately HK\$1,115,000 (six months ended 30 September 2009: approximately HK\$198,600,000). The gross profit for the discontinued garment sourcing and exporting business decreased to approximately HK\$1,023,000 from approximately HK\$28,038,000 for the corresponding period in the previous year. Due to the aforesaid disposal of the garment sourcing and exporting business, the operating expenses also reduced to approximately HK\$1,490,000 (six months ended 30 September 2009: approximately HK\$19,606,000). Loss for the period was approximately HK\$467,000 (six months ended 30 September 2009: profit of approximately HK\$8,837,000).

### **Business Review**

During the six months ended 30 September 2010, the Group has successfully repositioned itself as a property investment and development company and has succeeded in better utilisation of resources and human capital.

Grasping the business opportunities brought by the blooming property market, the Group completed a number of important acquisitions during the year ended 31 March 2010. These acquisitions together with the existing investment properties held by the Group provide a steady and stable rental income for the Group.

The pre-sale of an initial twenty four units of the re-development of No. 1 & 1A, 3 & 3A Victory Avenue in Homantin (namely "One Victory") commenced on 21 August 2010. As at the Latest Practicable Date, eight units have been sold. One Victory is expected to be completed by August 2011 and provide income for the Group through the sales of the units.

For property development, the Group has acquired all the units or 100% of the undivided shares in the buildings situated at Nos. 313, 313A, 313B and 313C Prince Edward Road West (Section B of



Kowloon Inland Lot No. 1685), Nos. 311B and 311D Prince Edward Road West (Sub-Section 1 of Section A of Kowloon Inland Lot No. 2978) and Nos. 311A and 311C Prince Edward Road West (Remaining portion of Section A of Kowloon Inland Lot No. 2978). The acquisitions enabled the Group to expand its property investment portfolio, and are expected to provide the Group with income from property development. The Group intends to re-develop the sites together.

The Company announced on 24 September 2010 that its wholly-owned subsidiary entered into a binding provisional sale and purchase agreement with an Independent Third Party for the disposal of the residential property situated at House No. 11 and the garden appurtenant thereto and car parking space nos. 11A & 11B Las Pinadas, No. 33 Shouson Hill Road, Hong Kong at a consideration of HK\$88,500,000 (the “Disposal”). The Disposal, details of which are set out in the Company’s circular dated 18 October 2010, constituted a major transaction of the Company under the Listing Rules. The Disposal was completed on 28 January 2011.

### **Prospects**

The property investment market in Hong Kong has revived quickly after the global economic tsunami and continued to boom in 2010 and the first quarter of 2011. The bull stock market as well as land auctions with historical high prices boosted not only the confidence of property developers, but property investors as well. Despite the announcement made by the Government on 19 November 2010 to introduce certain policies to dampen the ongoing speculation on properties, the Directors are confident about its property development projects.

The Group is optimistic about the property market in Hong Kong and Singapore and will continue to look for potential property investment opportunities to further enrich its portfolio and at the same time create more returns to Shareholders.

### **5. MATERIAL ADVERSE CHANGE**

The Directors are not aware of any material adverse change to the financial or trading position of the Group since 31 March 2010, being the date to which the latest published audited financial statements of the Company were made up.

---

## APPENDIX II UNAUDITED FINANCIAL INFORMATION OF THE PROPERTIES

---

### 1. PROFIT AND LOSS STATEMENT OF THE PROPERTIES

In accordance with Rule 14.67(6)(b)(i) of the Listing Rules, a profit and loss statement of the Properties for the three financial years ended 31 March 2011 (“Relevant Financial Years”) is required to be included in this circular. The Company was provided with copies of the tenancy agreements (“Tenancy Agreements”) for the Friendly Bright Properties and the Chan Property (the “Leased Properties”) which cover only part of the Relevant Financial Years. Other than such limited information, despite requests made by the Company’s legal advisers in this transaction, the Company is unable to gain full access to the underlying books and records or other financial information of the Sellers of the Leased Properties regarding the direct costs and other expenses for the preparation of the financial information of the Leased Properties for the Relevant Financial Years in strict compliance with the requirements of Rule 14.67(6)(b)(i) of the Listing Rules. The Company has therefore applied to the Stock Exchange for a waiver from strict compliance with Rule 14.67(6)(b)(i) of the Listing Rules, such that the following information be disclosed instead. The financial information of the Leased Properties for each of the Relevant Financial Years set out below has been prepared by the Directors solely based on the Tenancy Agreements provided by the Sellers of the Leased Properties. Accordingly, it may not give a true picture of the performance of the Leased Properties during the Relevant Financial Years.

	<b>For the year ended 31 March</b>	
	<b>2010</b>	<b>2011</b>
	<b>(approximately)</b>	<b>(approximately)</b>
	<b>(HK\$)</b>	<b>(HK\$)</b>
Rental income of Leased Properties (before expenses) ( <i>Notes</i> )	1,692,000	1,992,000

*Notes:*

1. The rental income for the Relevant Financial Years is derived from the Tenancy Agreements.
2. Based on the Tenancy Agreements, the government rent of one of the units comprising the Friendly Bright Properties (i.e. the Ground Floor of Block B of Nos. 301, 301A-C Prince Edward Road West, Kowloon) was paid by Friendly Bright as landlord. For each of the years ended 31 March 2010 and 31 March 2011, the government rent paid by Friendly Bright for this property was estimated to be approximately HK\$14,000. Except as aforesaid, the government rents of the remaining units of the Friendly Bright Properties and the Chan Property were paid by the respective tenants of the Leased Properties. For each of the years ended 31 March 2010 and 31 March 2011, the total government rent paid on the remaining units of the Friendly Bright Properties and the Chan Property was estimated to be approximately HK\$31,000.
3. Based on the Tenancy Agreements, rates, management fees, gas, water, telephone and electricity charges (where stated) were borne by the respective tenants of the Leased Properties. As far as the Company is aware, no management fee is payable for the Leased Properties. For each of the years ended 31 March 2010 and 31 March 2011, the total rates paid on the Leased Properties was estimated to be approximately HK\$63,000.
4. The total stamp duty paid in respect of the tenancy agreements for the Leased Properties was HK\$7,620. Based on the statutory tax rate of Hong Kong, the total property tax paid and payable in respect of the tenancy agreements for the Leased Properties is estimated to be approximately HK\$593,000.

---

## APPENDIX II UNAUDITED FINANCIAL INFORMATION OF THE PROPERTIES

---

5. Save for the Tenancy Agreements and other publicly available information, the Directors do not have access to other financial information in relation to the Leased Properties. Due to the limited information available to them, the Directors are unable to ascertain the amount of any other expenses (if any) in relation to the Leased Properties. Accordingly, no other expenses such as finance costs were included in the above financial information.
6. Save for the information that the Company could not obtain from the Sellers of the Leased Properties, the financial information of the Leased Properties set out above is prepared using accounting policies which are materially consistent with the Company.
7. The following procedures have been undertaken by Deloitte Touche Tohmatsu (“Deloitte”), the auditor of the Company, in accordance with the Hong Kong Standard on Related Service 4400 “Engagements to Perform Agreed Upon Procedures Regarding Financial Information” issued by the Hong Kong Institute of Certified Public Accountants, with respect to the tenancy agreements. Deloitte:
  - i. obtained from the management of the Company the Rental Income Summary and the Rental Income Listing and checked their arithmetical accuracy;
  - ii. compared the total amounts of rental income for each of the two years ended 31 March 2011 as shown in the Rental Income Summary to the respective total rental amounts as shown in the Rental Income Listing; and
  - iii. compared the Particulars as shown in the Rental Income Listing to the relevant tenancy agreements provided by the management of the Company.

Deloitte’s findings are:

- a. With respect to procedure i, Deloitte found the Rental Income Summary and the Rental Income Listing were arithmetically accurate;
- b. With respect to procedure ii, Deloitte found the total amounts of rental income for each of the two years ended 31 March 2011 as shown in the Rental Income Summary were in agreement with those shown in the Rental Income Listing; and
- c. With respect to procedure iii, Deloitte found the Particulars as shown in the Rental Income Listing were in agreement with those contained in the relevant tenancy agreements provided by the management of the Company.

### VALUATION OF THE LEASED PROPERTIES

No valuation of the Leased Properties at the end of the three years ended 31 March 2011 has been disclosed herein as the Directors were unable to obtain any valuation reports from the Vendor.

## APPENDIX III UNAUDITED PRO FORMA STATEMENT OF ASSETS AND LIABILITIES

### A. UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP

The following is an illustrative and unaudited pro forma statement of assets and liabilities of the Group which has been prepared on the basis of the notes set out below for the purpose of illustrating the effect of the acquisition of the Friendly Bright Properties, the Phuong Property, the Chuang Property, the Chan Property and the Leung Property (the “Acquisitions”) as if they had taken place on 30 September 2010.

This unaudited pro forma statement of assets and liabilities of the Group has been prepared for illustrative purposes only and, because of its hypothetical nature, it may not give a true picture of the financial position of the Group had the Acquisitions been completed as at 30 September 2010 or at any future date.

	Unadjusted statement of assets and liabilities of the Group as at 30 September 2010						Unaudited pro forma statement of assets and liabilities of the Group
	Pro forma adjustments						
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
<i>Note 1</i>	<i>Note 2</i>	<i>Note 3</i>	<i>Note 4</i>	<i>Note 5</i>	<i>Note 6</i>		
<b>Non-current assets</b>							
Property, plant and equipment	2,226						2,226
Investment properties	1,043,588	89,738	19,410	7,580	10,806	14,355	1,185,477
Interests in associates	144,760						144,760
Available-for-sale investments	70,332						70,332
	<u>1,260,906</u>						<u>1,402,795</u>
<b>Current assets</b>							
Properties held for development	513,233						513,233
Investments held for trading	80,411						80,411
Trade and other receivables	12,804						12,804
Loans receivable	54,315						54,315
Bank balances and cash	26,732	(8,877)	(1,800)	(700)	(1,000)	(14,355)	—
	687,495						660,763
Asset classified as held for sale	88,500						88,500
	<u>775,995</u>						<u>749,263</u>
<b>Current liabilities</b>							
Trade and other payables	33,436	416			56		33,908
Tax payable	23,751						23,751
Bank borrowings	—	4,022	881	344	488	—	5,735
	<u>57,187</u>						<u>63,394</u>
<b>Net current assets</b>	<u>718,808</u>						<u>685,869</u>
<b>Total assets less current liabilities</b>	<u>1,979,714</u>						<u>2,088,664</u>

## APPENDIX III UNAUDITED PRO FORMA STATEMENT OF ASSETS AND LIABILITIES

	Unadjusted statement of assets and liabilities of the Group as at 30 September 2010						Unaudited pro forma statement of assets and liabilities of the Group
	Pro forma adjustments						
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
	Note 1	Note 2	Note 3	Note 4	Note 5	Note 6	
<b>Non-current liabilities</b>							
Deferred tax liabilities	108,672						108,672
Bank borrowings	—	76,423	16,729	6,536	9,262	—	108,950
	<u>108,672</u>						<u>217,622</u>
<b>Net assets</b>	<u>1,871,042</u>						<u>1,871,042</u>

*Notes:*

- The figures are extracted from the unaudited condensed consolidated statement of financial position of the Group as at 30 September 2010, as set out in the published interim report of the Company for the six months ended 30 September 2010.
- The adjustment represents the acquisition of the Friendly Bright Properties by the Group for a consideration of HK\$83,000,000 and direct expenses relating to this acquisition of approximately HK\$6,738,000 including stamp duty of approximately HK\$3,527,000, commission fee of approximately HK\$3,161,000 and legal and professional fee of approximately HK\$50,000. In connection with the acquisition, rental deposits of HK\$416,000 will be transferred from Friendly Bright, the seller, in relation to the existing tenancies of the Friendly Bright Properties to the Group upon completion of the acquisition. The Group will settle the consideration and direct expenses of HK\$89,738,000 by cash of HK\$8,877,000 and the remaining balance will be settled by bank borrowings. A standby banking facility for the sum of approximately HK\$390,000,000, which will be repayable by 240 monthly installments, has been obtained by the Group for the purpose of financing the acquisition of the Properties.
- The adjustment represents the acquisition of the Phuong Property by the Group for a consideration of HK\$18,000,000 and direct expenses relating to this acquisition of approximately HK\$1,410,000 including stamp duty of approximately HK\$675,000, commission fee of approximately HK\$685,000 and legal and professional fee of approximately HK\$50,000. The Group will settle the consideration and direct expenses of HK\$19,410,000 by cash of HK\$1,800,000 and the remaining balance will be settled by the bank borrowings as mentioned above.
- The adjustment represents the acquisition of the Chuang Property by the Group for a consideration of HK\$7,000,000 and direct expenses relating to this acquisition of approximately HK\$580,000 including stamp duty of approximately HK\$263,000, commission fee of approximately HK\$267,000 and legal and professional fee of approximately HK\$50,000. The Group will settle the consideration and direct expenses of HK\$7,580,000 by cash of HK\$700,000 and the remaining balance will be settled by the bank borrowings as mentioned above.

---

**APPENDIX III      UNAUDITED PRO FORMA STATEMENT OF ASSETS AND LIABILITIES**

---

5.     The adjustment represents the acquisition of the Chan Property by the Group for a consideration of HK\$10,000,000 and direct expenses relating to this acquisition of approximately HK\$806,000 including stamp duty of approximately HK\$375,000, commission fee of approximately HK\$381,000 and legal and professional fee of approximately HK\$50,000. In connection with the acquisition, rental deposits of HK\$56,000 will be transferred from Chan Man Wah, the seller, in relation to the existing tenancy of the Chan Property to the Group upon completion of acquisition. The Group will settle the consideration and direct expenses of HK\$10,806,000 by cash of HK\$1,000,000 and the remaining balance will be settled by the bank borrowings as mentioned above.
  
6.     The adjustment represents the acquisition of the Leung Property by the Group for a consideration of HK\$13,300,000 and direct expenses relating to this acquisition of approximately HK\$1,055,000 including stamp duty of approximately HK\$499,000, commission fee of approximately HK\$506,000 and legal and professional fee of approximately HK\$50,000. The Group will settle the consideration and direct expenses by cash.
  
7.     No adjustment has been made to reflect any trading results or other transactions of the Group entered into subsequent to 30 September 2010.

**B. ACCOUNTANTS' REPORT ON UNAUDITED PRO FORMA FINANCIAL INFORMATION**



**TO THE DIRECTORS OF EASYKNIT INTERNATIONAL HOLDINGS LIMITED**

We report on the unaudited pro forma statement of assets and liabilities of Easyknit International Holdings Limited (the “Company”) and its subsidiaries (hereinafter collectively referred to as the “Group”), which has been prepared by the directors of the Company for illustrative purposes only, to provide information about how the proposed acquisition of properties located at Nos. 301, 301A-C Prince Edward Road West, Kowloon, Hong Kong (the “Acquisitions”) might have affected the financial information presented, for inclusion in Section A of Appendix III to the circular of the Company dated 3 June 2011 in connection with the Acquisitions (the “Circular”). The basis of preparation of the unaudited pro forma statement of assets and liabilities of the Group is set out in Section A of Appendix III to the Circular.

**Respective responsibilities of directors of the Company and reporting accountants**

It is the responsibility solely of the directors of the Company to prepare the unaudited pro forma statement of assets and liabilities of the Group in accordance with paragraph 29 of Chapter 4 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and with reference to Accounting Guideline 7 “Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars” issued by the Hong Kong Institute of Certified Public Accountants.

It is our responsibility to form an opinion, as required by paragraph 29(7) of Chapter 4 of the Listing Rules, on the unaudited pro forma statement of assets and liabilities of the Group and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited pro forma statement of assets and liabilities the Group beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

**Basis of opinion**

We conducted our engagement in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 300 “Accountants’ Reports on Pro Forma Financial Information in Investment Circulars” issued by the Hong Kong Institute of Certified Public Accountants. Our work consisted primarily of comparing the unadjusted financial information with source documents, considering the evidence supporting the adjustments and discussing the unaudited pro forma statement of assets and liabilities of the Group with the directors of the Company. This engagement did not involve independent examination of any of the underlying financial information.

---

## APPENDIX III UNAUDITED PRO FORMA STATEMENT OF ASSETS AND LIABILITIES

---

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the unaudited pro forma statement of assets and liabilities of the Group has been properly compiled by the directors of the Company on the basis stated, that such basis is consistent with the accounting policies of the Group and that the adjustments are appropriate for the purpose of the unaudited pro forma statement of assets and liabilities of the Group as disclosed pursuant to paragraph 29(1) of Chapter 4 of the Listing Rules.

The unaudited pro forma statement of assets and liabilities of the Group is for illustrative purpose only, based on the judgements and assumptions of the directors of the Company, and, because of its hypothetical nature, does not provide any assurance or indication that any event will take place in future and may not be indicative of the financial position of the Group as at 30 September 2010 or any future date.

### Opinion

In our opinion:

- a) the unaudited pro forma statement of assets and liabilities of the Group has been properly compiled by the directors of the Company on the basis stated;
- b) such basis is consistent with the accounting policies of the Group so far as such policies relate to the transactions; and
- c) the adjustments are appropriate for the purposes of the unaudited pro forma statement of assets and liabilities of the Group as disclosed pursuant to paragraph 29(1) of Chapter 4 of the Listing Rules.

**Deloitte Touche Tohmatsu**  
Certified Public Accountants  
Hong Kong  
3 June 2011



*The following is the text of a letter and valuation certificate prepared for the purpose of incorporation in this circular received from Vigers Appraisal & Consulting Limited, an independent valuer, in connection with their valuation of the property as at 5 May 2011.*

**Vigers Appraisal And Consulting Limited**  
*International Assets Appraisal Consultants*

10th Floor, The Grande Building  
398 Kwun Tong Road  
Kowloon  
Hong Kong



3 June 2011

The Directors  
Easyknit International Holdings Limited  
7/F., Hong Kong Spinners Industrial Building, Phase 6  
481-483 Cheung Sha Wan Road  
Kowloon  
Hong Kong

Dear Sirs,

**RE: EIGHT UNITS OF NOS. 301, 301A-C PRINCE EDWARDS ROAD WEST, HO MAN TIN,  
KOWLOON, HONG KONG**

In accordance with your instructions for us to value the above property interests to be acquired by Easyknit International Holdings Limited or its subsidiary (hereinafter together referred to as “the Company”), we confirm that we have inspected the property, conducted land searches at the Land Registry, made relevant enquiries and investigations as well as obtained such further information as we consider necessary for the purpose of providing our opinion of values of the property as at 5 May 2011 (“the Valuation Date”).

Our valuations are our opinion of market value of the property which is defined as intended to mean “the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller on an arm’s length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion”.

Our valuations have been prepared in accordance with “The HKIS Valuation Standards on Properties (First Edition 2005)” published by The Hong Kong Institute of Surveyors, the relevant provisions in the Companies Ordinance and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (Main Board).

Our valuations have been made on the assumption that the property is sold in the market in their existing state without the effect of deferred term contract, leaseback, joint venture, management agreement or any other similar arrangement which might serve to affect the values of the property. In addition, no account has been taken of any option or right of pre-emption concerning or affecting the sale of the property.

We have valued the property by direct comparison approach with reference to market comparables with due allowances for the differences between the comparables and the property.

We have conducted land searches at the Land Registry but we have not scrutinised the original documents to ascertain ownership nor to verify any lease amendments which may not appear on the copies handed to us. All documents have been used for reference only and all dimensions, measurements and areas are therefore approximations.

We have inspected the property to the extent for the purpose of these valuations but we have not carried out any structural survey nor have we inspected woodwork or other parts of the structures which were covered, unexposed or inaccessible to us. We are therefore unable to report whether the property is free from any structural or non-structural defect.

We have relied to a considerable extent on the information made available to us and we have accepted advice on such matters as planning approvals, statutory notices, easements, occupancy, tenancy status, tenure, site and floor areas. We have had no reason to doubt the truth and accuracy of the information provided to us by the Company and we have been advised by the Company that no material facts have been omitted from the information provided.

No allowance has been made in our valuations for any charges, mortgages or amounts owing on the properties for any expenses or taxation which might be incurred in effecting a sale. Unless otherwise stated, we have assumed that the property is free from any encumbrances, restrictions and outgoings of an onerous nature which could serve to affect the values of the property.

We enclose herewith our valuation certificates.

Yours faithfully,  
For and on behalf of  
**VIGERS APPRAISAL & CONSULTING LIMITED**  
**Gilbert K. M. Yuen**  
*MRICS MHKIS RPS(GP)*  
*Executive Director*

*Note: Mr. Gilbert K. M. Yuen is a Registered Professional Surveyor in General Practice Division with over 20 years' valuation experience on properties in Hong Kong.*

## VALUATION CERTIFICATE

*Property to be acquired by the Group in Hong Kong*

Property	Description and Tenure	Particulars of Occupancy	Capital value in Existing state as at 5 May 2011
Eight units of Nos. 301, 301A-C Prince Edward Road West, Ho Man Tin, Kowloon, Hong Kong	The property comprises eight units of a 3-storey residential building completed in 1957. The units include Blocks A, B and D on Ground Floor, Blocks A, B and D on 1st Floor and Blocks A and B on 2nd Floor.	According to the information provided by the Company, the subject units are either leased or being owner-occupied, which are summarized in Note 7 below.	i. The existing use value of the 8 units subject to the existing tenancies - HK\$62,000,000
8/12th parts or shares of and in Kowloon Inland Lot No. 2320	The saleable area of each of the Block A units is 90.86 sq.m. (978 sq.ft.); for each of the Block B unit is 89.37 sq.m. (962 sq.ft.) and for each of the Block D unit is 90.3 sq.m. (972 sq.ft.) approximately.  The building is erected on a site with an area of 748.79 sq.m. (8,060 sq.ft.)  The property is held under a Government Lease for a term of 75 years commencing from 22 April 1930 and renewed for a further term of 75 years.  The government rent payable by the eight units is in total of HK\$54,792 per annum.		ii. The site value of the 100% interests with vacant possession - HK\$253,000,000  iii. The site value attributable to the 8 units - HK\$168,666,000

*Notes:*

1. The registered owners of the property are as follows:

Ground Floor of Block A, Nos. 301, 301A-C Prince Edward Road West Kowloon	—	Friendly Bright Development Limited
Ground Floor of Block B, Nos. 301, 301A-C Prince Edward Road West Kowloon	—	Friendly Bright Development Limited
Ground Floor of Block D, Nos. 301, 301A-C Prince Edward Road West Kowloon	—	Friendly Bright Development Limited

- |   |   |   |
|---|---|---|
| 1/F of Block A, Nos. 301, 301A-C<br>Prince Edward Road West Kowloon | — | Friendly Bright Development Limited                   |
| 1/F of Block B, Nos. 301, 301A-C<br>Prince Edward Road West Kowloon | — | Phuong Ngoc Hoa                                       |
| 1/F of Block D, Nos. 301, 301A-C<br>Prince Edward Road West Kowloon | — | Chung Yung Hua and Lam Shun Ling Pion (Joint-Tenants) |
| 2/F of Block A, Nos. 301, 301A-C<br>Prince Edward Road West Kowloon | — | Chan Man Wah  |
| 2/F of Block B, Nos. 301, 301A-C<br>Prince Edward Road West Kowloon | — | Leung Oi Lin  |
2. All the units are subject to a Deed of Mutual Covenants registered vide Memorial No. UB261350, dated 18 May 1957.

In addition, the following units are subject to the individual encumbrances:

- |   |   |  |
|---|---|--|
| Ground Floor of Block A, Nos.<br>301, 301A-C Prince Edward Road<br>West Kowloon | — | i. Order No. UBP/07-014/0002/06 by the Building Authority under S.24(1) of the Buildings Ordinance registered vide Memorial No. 08041801760022 dated 4 June 2007   |
| Ground Floor of Block B, Nos.<br>301, 301A-C Prince Edward Road<br>West Kowloon | — | i. Legal Charge/Mortgage in favour of The Bank of East Asia, Limited registered vide Memorial No. 06122202120158 dated 29 November 2006                            |
|   |   | ii. Assignment of Rental in favour of The Bank of East Asia, Limited registered vide Memorial No. 068122202120164 dated 29 November 2006                           |
| Ground Floor of Block D, Nos.<br>301, 301A-C Prince Edward Road<br>West Kowloon | — | i. Notice No. WNZ/U19-04/0001/07 by the Building Authority under S.24(1) of the Buildings Ordinance registered vide Memorial No. 08122201790019 dated 23 June 2009 |
| 1/F of Block A, Nos. 301, 301A-C<br>Prince Edward Road West Kowloon             | — | i. Order No. UBZ/07-014/0002/06 by the Building Authority under S.24(1) of the Buildings Ordinance registered vide Memorial 08041801760022 dated 4 June 2007       |
| 1/F of Block D, Nos. 301, 301A-C<br>Prince Edward Road West Kowloon             | — | i. Mortgage in favour of Chiyu Banking Corporation Limited registered vide Memorial No. 09080402530029 dated 28 July 2009  |
| 2/F of Block A, Nos. 301, 301A-C<br>Prince Edward Road West Kowloon             | — | i. Mortgage in favour of Chiyu Banking Corporation Limited registered vide Memorial No. 09042102140031 dated 31 March 2009   |
3. The Government Lease of Kowloon Inland Lot No. 2978 contains inter alia the following restrictions on the development of the lot:

“... will not erect more than one house on the said piece or parcel of grounds the same to be of an European type only and no alternations or additions to the same will be made after plans have been approved except with the consent of the said Director and will design the exterior elevations plans and disposition of any such building subject to the special approval of the said Director and the height thereof will not exceed Thirty Five Feet except with the consent of the said Director and will not erect any such building within Twenty feet of Prince Edward Road...”

4. The property is zoned “Residential (Group B)” on the Ho Man Tin Outline Zoning Plan No. S/K7/20 dated 5 May 2009.

According to the explanatory note attached to the Outline Zoning Plan, on land designated “Residential (Group B)”, no new development, or addition, alternation and/or modification to or redevelopment of an existing building shall result in a total development and/or redevelopment of an existing building in excess of a maximum plot ratio of 5.0 and the maximum building heights in terms of metres above Principal Datum as stipulated on the Plan, or the plot ratio and height of the existing building, whichever is the greater.

5. No architectural plans have been approved and no planning consent has been obtained in respect of the redevelopment of the subject site as at the date of valuation.
6. There are no conditions stipulated in the Government Lease of the property as to the construction of roadways, pathways, drainage, sewage and other facilities or services for public uses.

7. The Occupation and leasing status of the subject units are as follows:

Premises	Occupation /Lease Status	Monthly Rent	Remarks
Ground Floor of Block A and Block D, Nos. 301, 301A-C Prince Edward Road West Kowloon	1 May 2009 - 30 April 2012	HK\$64,000 exclusive of rates and management fees	<ul style="list-style-type: none"> <li>i. Tenant has an option to renew for 2 years at a rent not exceeding 10% of the existing rent;</li> <li>ii. A 3 months' sale and redevelopment break clause</li> </ul>
Ground Floor of Block B, Nos. 301, 301A-C Prince Edward Road West Kowloon	1 May 2011 - 30 April 2013	HK\$80,000 exclusive of rates and management fees	
1/F of Block A, Nos. 301, 301A-C Prince Edward Road West Kowloon	16 October 2010 - 15 October 2012	HK\$24,000 exclusive of rates and management fees	<ul style="list-style-type: none"> <li>i. Tenant has an option to renew for 1 year at the same rent;</li> <li>ii. A 6 months' sale and redevelopment break clause with 3 months' rent compensation to the tenant</li> </ul>
1/F of Block B, Nos. 301, 301A-C Prince Edward Road West Kowloon	Owner occupied		Vacant possession can be obtained after completion date which is on 30 September 2011
1/F of Block D, Nos. 301, 301A-C Prince Edward Road West Kowloon	Owner occupied		Vacant possession can be obtained 6 months after the completion date which is on 14 March 2012
2/F and Roof of Block A, Nos. 301, 301A-C Prince Edward Road West Kowloon	15 May 2009 - 14 May 2012	HK\$28,000 exclusive of rates and management fees	<ul style="list-style-type: none"> <li>i. Tenant has an option to renew for 2 years at a rent not exceeding 10% of the existing rent;</li> <li>ii. A 3 months' sale and redevelopment break clause</li> </ul>
2/F of Block B, Nos. 301, 301A-C Prince Edward Road West Kowloon	Owner occupied		Vacant possession can be obtained 3 months after the completion date which is on 24 September 2011

8. In assessing the site value of the 100% interests, we have taken into consideration of the existing Government Lease conditions. No account has been taken into the possible modification of Government Lease to allow for the higher plot ratio and the necessity payment of land premium.
  
9. In assessing the site value attributable to the 8 units, we have apportioned the 100% bare site value in accordance with the proportion of the total undivided shares of the 8 units to the whole of the lot. No allowance has been given to the possible costs, which are required for the amalgamation of the 100% shares of the lot either by private negotiation or by the compulsory sale order under Land (Compulsory Sale For Redevelopment) Ordinance Cap 545.

## 1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein misleading.

## 2. DISCLOSURE OF INTERESTS BY DIRECTORS AND CHIEF EXECUTIVES

As at the Latest Practicable Date, the Directors and the chief executive of the Company had the following interests and short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which any such Director or, chief executive of the Company was taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, to be notified to the Company and the Stock Exchange:

### (a) Interests in the Company

Name of Director	Capacity	Number of ordinary shares held (long position)	Approximate percentage of interest
Ms. Lui Yuk Chu	(Note i)	46,609,144	58.69%
Ms. Koon Ho Yan, Candy (Note ii)	Beneficiary of a trust	29,179,480	36.74%

*Notes:*

- (i) Out of 46,609,144 Shares, 17,429,664 Shares are beneficially owned by Sea Rejoice which is wholly-owned by Ms. Lui Yuk Chu. The other 29,179,480 Shares are registered in the name of and are beneficially owned by Magical Profits, which is wholly-owned by Accumulate More Profits Limited which in turn is wholly-owned by Hang Seng Bank Trustee International Limited as trustee of The Magical 2000 Trust (the beneficiaries of which included Ms. Lui Yuk Chu and her family members other than her spouse).
- (ii) Ms. Koon Ho Yan, Candy, the daughter of Ms. Lui Yuk Chu and an executive Director, is deemed to be interested in the Shares by virtue of her capacity as one of the beneficiaries of The Magical 2000 Trust.



## (b) Interests in associated corporations

1. *Easyknit Enterprises*

Name of Director	Capacity	Number of ordinary shares held (long position)	Approximate percentage of interest
Ms. Lui Yuk Chu	(Note i)	174,592,987	31.70%
Ms. Koon Ho Yan, Candy (Note ii)	Beneficiary of a trust	174,592,987	31.70%

*Notes:*

- (i) These shares are registered in the name of and are beneficially owned by Landmark Profits Limited which is a wholly-owned subsidiary of the Company. Sea Rejoice is interested in approximately 21.95% of the issued share capital of the Company and is wholly-owned by Ms. Lui Yuk Chu. Magical Profits is interested in approximately 36.74% of the issued share capital of the Company and is wholly-owned by Accumulate More Profits Limited which in turn is wholly-owned by Hang Seng Bank Trustee International Limited as trustee of The Magical 2000 Trust (the beneficiaries of which included Ms. Lui Yuk Chu and her family members other than her spouse).
- (ii) Ms. Koon Ho Yan, Candy, the daughter of Ms. Lui Yuk Chu and an executive Director, is deemed to be interested in the shares by virtue of her capacity as one of the beneficiaries of The Magical 2000 Trust.

2. *Wellmake Investments Limited (“Wellmake”) (Note a)*

Name of Director	Capacity	Number of non-voting deferred shares (long position)	Approximate percentage of interest
Ms. Lui Yuk Chu	(Note b)	2	100.00%

*Notes:*

- (a) All the issued ordinary shares in the share capital of Wellmake which carry voting rights are held by the Company.
- (b) One non-voting deferred share is held by Ms. Lui Yuk Chu as beneficial owner and the other one is held by her spouse, Mr. Koon Wing Yee.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or the chief executive of the Company had any interests or short positions in the Shares, underlying Shares and/or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to

Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which any such Director or chief executive of the Company was taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, to be notified to the Company and the Stock Exchange.

### 3. SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, so far as was known to the Directors or chief executive of the Company, the persons (“Substantial Shareholders”) (other than the Directors or the chief executive of the Company) who had an interest or short position in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company under the provision of Divisions 2 and 3 of Part XV of the SFO or who were, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group or had any options in respect of such capital are set out below:

Name of Substantial Shareholder	Capacity	Number of ordinary shares held (long position)	Approximate percentage of interest
Koon Wing Yee ( <i>note a</i> )	Interest of spouse	46,609,144	58.69%
Sea Rejoice ( <i>notes a and b</i> )	Beneficial owner	17,429,664	21.95%
Magical Profits ( <i>notes a and b</i> )	Beneficial owner	29,179,480	36.74%
Accumulate More Profits Limited ( <i>note a</i> )	Interest of controlled corporation	29,179,480	36.74%
Hang Seng Bank Trustee International Limited ( <i>notes a and c</i> )	Trustee	29,179,480	36.74%
Hang Seng Bank Limited ( <i>note c</i> )	Interest of controlled corporation	29,179,480	36.74%
The Hongkong and Shanghai Banking Corporation Limited ( <i>note c</i> )	Interest of controlled corporation	29,179,480	36.74%
HSBC Asia Holdings BV ( <i>note c</i> )	Interest of controlled corporation	29,179,480	36.74%
HSBC Asia Holdings (UK) ( <i>note c</i> )	Interest of controlled corporation	29,179,480	36.74%
HSBC Holdings BV ( <i>note c</i> )	Interest of controlled corporation	29,179,480	36.74%
HSBC Finance (Netherlands) ( <i>note c</i> )	Interest of controlled corporation	29,179,480	36.74%
HSBC Holdings plc ( <i>note c</i> )	Interest of controlled corporation	29,179,480	36.74%

*Notes:*

- (a) Out of 46,609,144 Shares, 17,429,664 Shares are beneficially owned by Sea Rejoice which is wholly-owned by Ms. Lui Yuk Chu. The other 29,179,480 Shares are registered in the name of and are beneficially owned by Magical Profits, which is wholly-owned by Accumulate More Profits Limited which in turn is wholly-owned by Hang Seng Bank Trustee International Limited as trustee of The Magical 2000 Trust (the beneficiaries of which included Ms. Lui Yuk Chu and her family members other than her spouse). Ms. Koon Ho Yan, Candy, the daughter of Ms. Lui Yuk Chu and an executive Director, is deemed to be interested in the 29,179,480 Shares by virtue of her capacity as one of the beneficiaries of The Magical 2000 Trust. Mr. Koon Wing Yee, being the spouse of Ms. Lui Yuk Chu, is deemed to be interested in the 46,609,144 Shares by virtue of the SFO.
- (b) Ms. Lui Yuk Chu, being an executive Director, is also a director of Sea Rejoice and Magical Profits.
- (c) Hang Seng Bank Trustee International Limited is a wholly-owned subsidiary of Hang Seng Bank Limited. Hang Seng Bank Limited is owned as to approximately 62.14% by The Hongkong and Shanghai Banking Corporation Limited. The Hongkong and Shanghai Banking Corporation Limited is wholly-owned by HSBC Asia Holdings BV which is a wholly-owned subsidiary of HSBC Asia Holdings (UK). HSBC Asia Holdings (UK) is wholly-owned by HSBC Holdings BV which in turn is wholly-owned by HSBC Finance (Netherlands). HSBC Finance (Netherlands) is a wholly-owned subsidiary of HSBC Holdings plc.

Save as disclosed above, as at the Latest Practicable Date, the Directors and chief executive of the Company were not aware of any other persons who had an interest or short position in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who were, directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group or had any options in respect of such capital.

#### **4. DIRECTORS' SERVICE CONTRACTS**

As at the Latest Practicable Date, none of the Directors had any existing and proposed service contract with any members of the Group other than contracts expiring or determinable by the relevant member of the Group within one year without payment of compensation (other than statutory compensation).

#### **5. LITIGATION**

Save for the claims against the Commissioner of Police commenced by the Company and Mr. Kwong Jimmy Cheung Tim, the President and Chief Executive Officer of the Company as disclosed in the announcement of the Company on 6 July 2010, as at the Latest Practicable Date, neither the Company nor any of its subsidiaries was engaged in any litigation or claims of material importance and, so far as the Directors are aware, there was no litigation or claim of material importance known to the Directors to be pending or threatened by or against the Company or any of its subsidiaries.

#### **6. COMPETING INTERESTS**

Mr. Kwong Jimmy Cheung Tim, Ms. Lui Yuk Chu and Ms. Koon Ho Yan, Candy, the executive Directors of the Company, also serve as the executive directors of Easyknit Enterprises, of which the

Company is indirectly interested in approximately 31.70% of the issued share capital. Mr. Tse Wing Chiu, Ricky, the non-executive Director of the Company, is also a non-executive director of Easyknit Enterprises. As at the Latest Practicable Date, save and except that Ms Lui Yuk Chu, through a company wholly-owned by her, had entered into a provisional sale and purchase agreement dated 31 December 2009 and two provisional sale and purchase agreements dated 15 January 2010 to acquire three units in the same building as the Properties (i.e. Nos 301, 301A-C Prince Edward Road West, Kowloon) none of the Directors or their respective associates had any interest in businesses which are considered to compete or are likely to compete, either directly or indirectly, with the businesses of the Group as required to be disclosed pursuant to the Listing Rules, other than those businesses where the Directors were appointed as directors to represent the interests of the Company and/or the Group and/or Easyknit Enterprises and/or the subsidiaries of Easyknit Enterprises.

The Group has been carrying on property investment and development businesses since 1996. As disclosed in the annual report of Easyknit Enterprises for the year ended 31 March 2010, Easyknit Enterprises has entered into the property investment business during that financial year. The Directors consider that the property investment business conducted by Easyknit Enterprises will not have material competition with the property investment and development businesses of the Group as the Group engages in larger scale property investment and development projects, whereas Easyknit Enterprises invests in individual property units for rental income.

#### **7. INTEREST IN CONTRACTS AND ASSETS**

As at the Latest Practicable Date, to the best of the knowledge of the Directors, none of the Directors or proposed directors of the Company had any direct or indirect interest in any asset which had been, since 31 March 2010, being the date to which the latest published audited accounts of the Company were made up, acquired or disposed of by or leased to any member of the Group or are proposed to be acquired or disposed of by or leased to any member of the Group.

None of the Directors was materially interested in any contract or arrangement subsisting at the Latest Practicable Date which is significant in relation to the business of the Group.

#### **8. MATERIAL CONTRACTS**

The following contracts, not being contracts in the ordinary course of business of the Group, were entered into by the Group within two years immediately preceding the date of this circular which are or may be material:

- a) the sale and purchase agreement dated 30 June 2009 entered into between Ip Wai Hung as vendor and Trump Elegant Investment Limited, a wholly-owned subsidiary of the Company, as purchaser in relation to the sale and purchase of the property situated at Flat 3 on the Ground Floor of the building situated on Section B of Kowloon Inland Lot No. 1685 (Nos. 313, 313A, 313B and 313C Prince Edward Road West, Kowloon, Hong Kong) for a consideration of HK\$9,500,000 for which the assignment was executed on 17 August 2009;

- b) the agreement dated 14 July 2009 entered into between Ng Kwai Tung as vendor and Easykmit Properties Holdings Limited (“Easykmit Properties”) as purchaser for the sale and purchase of the entire issued share capital of Kingbest Capital Holdings Limited (“Kingbest”) for the consideration of HK\$2,440,000 in respect of which completion took place on 6 October 2009;
- c) the conditional undertaking letter dated 17 August 2009 (“2009 Undertaking”) executed by Landmark Profits Limited (“Landmark Profits”) in favour of Easykmit Enterprises and Kingston Securities Limited in relation to the allotment and issue of 293,699,560 new shares of Easykmit Enterprises under an offer by way of rights to holders of shares in Easykmit Enterprises at HK\$0.38 per rights share on the basis of four Easykmit Enterprises rights shares for every share in Easykmit Enterprises held (“2009 Easykmit Enterprises Rights Issue”) pursuant to which Landmark Profits conditionally undertook, inter alia, that the shares in Easykmit Enterprises held by it on the date of the 2009 Undertaking would remain registered in its name as at 4:00 p.m. on the record date of the 2009 Easykmit Enterprises Rights Issue (i.e. 13 October 2009) and that the Easykmit Enterprises rights shares to be provisionally allotted to Landmark Profits in respect of such shares in Easykmit Enterprises (being 93,116,260 Easykmit Enterprises rights shares) would be taken up and paid for in full by Landmark Profits;
- d) the assignment dated 5 October 2009 between Wellmake Investments Limited, an indirect wholly-owned subsidiary of the Company, as vendor and the Urban Renewal Authority as purchaser in relation to the sale of the ground floor shop together with open yard at the rear thereof and the exterior walls of the said shop and yard at No. 8 Yue Man Square, Kowloon, Hong Kong;
- e) the sale and purchase agreement dated 14 October 2009 entered into between Ms. Lui Yuk Chu (“Ms. Lui”) as vendor and Easykmit Properties as purchaser for the sale and purchase of the entire issued share capital of Grow Well Profits Limited and two interest free shareholder’s loans for the consideration of HK\$123,120,000 in respect of which completion took place on 22 December 2009;
- f) the sale and purchase agreement dated 14 October 2009 entered into between Ms. Lui as vendor and Easykmit Properties as purchaser for the sale and purchase of the entire issued share capital of Supertop Investment Limited for the consideration of HK\$104,350,000 in respect of which completion took place on 22 December 2009;
- g) the 6 assignments dated 20 October 2009 between Kingbest and each of the property vendors in relation to the completion of the purchase of the units located at the Front Portion (No. 311B Prince Edward Road West) & the Rear Portion (No. 311D Prince Edward Road West) of the building situated on sub-Section 1 of Section A of Kowloon Inland Lot No. 2978 (Nos. 311B & 311D Prince Edward Road West, Kowloon, Hong Kong);
- h) the sale and purchase agreement dated 3 December 2009 executed by Easykmit Properties as vendor and Quick Easy Limited, a wholly-owned subsidiary of Easykmit Enterprises, as

purchaser in relation to the sale and purchase of the entire issued share capital of each of Easyknit Global Company Limited, Easyknit Worldwide Company Limited and Grand Profit Development Limited, all of which engage in garment trading business, for an aggregate consideration of HK\$80,000,000;

- i) the agreement dated 24 February 2010 entered into between Ng Kwai Tung as vendor and Easyknit Properties as purchaser for the sale and purchase of the entire issued share capital of Chief Access Limited (“Chief Access”) for the consideration of HK\$5,650,000 in respect of which completion took place on 19 April 2010;
- j) the 6 assignments between Chief Access and each of the property vendors in relation to the completion of the purchase of the units located at the Front Portion (No. 311A Prince Edward Road West) & the Rear Portion (No. 311C Prince Edward Road West) of the building situated on the remaining portion of Section A of Kowloon Inland Lot No. 2978 (Nos. 311A & 311C Prince Edward Road West, Kowloon, Hong Kong). One of the assignments was dated 26 April 2010 and the other five assignments were all dated 10 May 2010;
- k) the binding provisional sale and purchase agreement dated 21 September 2010 entered into between Goldchamp International Limited, a wholly-owned subsidiary of the Company, as vendor, Fine View Corporation Limited as purchaser and Midland Realty International Limited as agent in relation to the disposal of a residential property being House No. 11 and the garden appurtenant thereto and car parking spaces nos. 11A & 11B Las Pinadas, No. 33 Shouson Hill Road, Hong Kong for a consideration of HK\$88,500,000, in respect of which the assignment was dated 28 January 2011;
- l) the conditional undertaking letter dated 4 January 2011 (“2011 Undertaking”) executed by Landmark Profits in favour of Easyknit Enterprises and Kingston Securities Limited in relation to the allotment and issue of 183,562,225 new shares of Easyknit Enterprises under an offer by way of rights to holders of shares in Easyknit Enterprises at HK\$0.35 per rights share in the proportion of one Easyknit Enterprises rights share for every two shares in Easyknit Enterprises held (“2011 Easyknit Enterprises Rights Issue”) pursuant to which Landmark Profits conditionally undertook, inter alia, that the shares in Easyknit Enterprises held by it on the date of the 2011 Undertaking would remain registered in its name as at 4:00 p.m. on the record date of the 2011 Easyknit Enterprises Rights Issue (i.e. 10 February 2011) and that the Easyknit Enterprises rights shares to be provisionally allotted to Landmark Profits in respect of such shares in Easyknit Enterprises (being 58,197,662 Easyknit Enterprises rights shares) would be taken up and paid for in full by Landmark Profits; and
- m) each of the Provisional Agreements and Formal Agreements.

**9. EXPERTS AND CONSENTS**

The following are the qualifications of the experts who have been named in this circular or have given their opinion or advice which are contained in this circular:

<b>Name</b>	<b>Qualification</b>
Vigers Appraisal & Consulting Limited	Independent Professional Valuer
Deloitte Touche Tohmatsu	Certified Public Accountants
Tony Yuen & Co.	Certified Public Accountants

As at the Latest Practicable Date, each of the above experts did not have:

- (a) any direct or indirect interest in any assets which have been, since 31 March 2010 (being the date to which the latest published audited accounts of the Company were made up), acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group; and
- (b) any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

Each of the above experts has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and the references to its name in the form and context in which it appears.

**10. GENERAL**

- (a) The company secretary of the Company is Mr. Lee Po Wing, a practising solicitor since 1994 with extensive experience in the legal field;
- (b) The registered office of the Company is at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda and the principal place of business of the Company in Hong Kong is at Unit A, 7th Floor, Hong Kong Spinners Building, Phase 6, 481-483 Castle Peak Road, Cheung Sha Wan, Kowloon, Hong Kong;
- (c) The Hong Kong branch share registrar and transfer office of the Company is Tricor Secretaries Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong;
- (d) The English text of this circular prevails over the Chinese text.

**11. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection during normal business hours at the Company's principal place of business in Hong Kong at Unit A, 7th Floor, Hong Kong Spinners Building, Phase 6, 481-483 Castle Peak Road, Cheung Sha Wan, Kowloon, Hong Kong for a period of 14 days from the date of this circular:

- (a) the memorandum of association and bye-laws of the Company;
- (b) the letters of consent referred to in the paragraph headed “Experts and consents” above;
- (c) the material contracts referred to in the paragraph headed “Material Contracts” above;
- (d) the valuation report prepared by Vigers Appraisal & Consulting Limited, the text of which is set out in Appendix IV of this circular;
- (e) the annual reports of the Company for each of the three financial years ended 31 March 2008, 31 March 2009 and 31 March 2010;
- (f) the interim report of the Company for the six months ended 30 September 2010;
- (g) the circular issued by the Company on 22 March 2010 in relation to the major transaction involving the acquisition of Chief Access Limited;
- (h) the circular issued by the Company on 18 October 2010 in relation to the major transaction involving the disposal of residential property; and
- (i) this circular.