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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)



Easyknit Enterprises Holdings Limited
永義實業集團有限公司*
(Incorporated in Bermuda with limited liability)
(Stock code : 0616)

DISCLOSEABLE TRANSACTION ACQUISITION OF PROPERTY

ACQUISITION OF PROPERTY

The Board is pleased to announce that on 18 April 2012, Provisional Agreement has been entered into between a wholly-owned subsidiary of the Company as Purchaser, and an independent third party as Vendor, pursuant to which the Purchaser agreed to purchase and the Vendor agreed to sell the Property at a cash consideration of HK\$19,000,000.

LISTING RULES IMPLICATIONS

As the applicable percentage ratios calculated by reference to Rule 14.07 of the Listing Rules in respect of the Acquisition are more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

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PRINCIPAL TERMS OF THE PROVISIONAL AGREEMENT

Date: 18 April 2012

Parties: (a) The Vendor: Tenant in common
(b) The Purchaser: Main Lucky Enterprises Limited

The Purchaser is an indirect wholly-owned subsidiary of the Company.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Vendor is a third party independent of the Company.

** for identification only*

Subject of the Acquisition

Pursuant to the Provisional Agreement, the Vendor will sell and the Purchaser will acquire the Property upon the terms contained therein.

The Property is situate at 1st Floor, No. 15 Matheson Street, Causeway Bay, Hong Kong with a saleable area of approximately 717 square feet, and is used for commercial purpose.

The Property shall be sold to the Purchaser free from encumbrances.

The Property is currently leased by the Vendor to a tenant, which is a third party independent of the Company, for its leasing a monthly rental of HK\$38,000 (exclusive of management fees but inclusive of government rates and government rent) for 2 years commencing 7 March 2011 to 6 March 2013.

Consideration

The Consideration for the Acquisition is HK\$19,000,000, payable by the Purchaser to the Vendor according to the following payment schedule:-

- (a) an initial deposit of HK\$1,000,000 has been paid on the signing of the Provisional Agreement;
- (b) a further deposit of HK\$2,800,000 will be paid upon the signing of the formal agreement for sale and purchase of the Property, which is expected to be on or before 24 April 2012; and
- (c) the balance of HK\$15,200,000 will be paid on Completion which is expected to be on or before 16 May 2012.

The Consideration was arrived at after arm's length negotiations between the Purchaser and the Vendor and determined after taking into account the relevant factors including market prices of comparable properties and the location of the Property. It is currently expected that the Consideration will be funded by the Company's internal resources.

Completion

Completion of the Acquisition shall take place on or before 16 May 2012.

INFORMATION ON THE GROUP AND EASYKNIT INTERNATIONAL

The Group is engaged in sourcing and exporting of garments and property investments.

Easyknit International is an investment holding company which holds approximately 72.36% interests in the Company and is principally engaged in property investment and development, securities investments and loan financing.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Directors consider the Acquisition as an opportunity for the Group to expand its property investment portfolio and increase the income stream of the Group. The Directors also consider that the Property has potential for appreciation.

The Directors, including the independent non-executive Directors, are of the view that the terms of the Provisional Agreement are fair and reasonable, on normal commercial terms and in the interests of the Shareholders as a whole.

EFFECTS OF THE ACQUISITION ON THE GROUP AND EASYKNIT INTERNATIONAL

Based on information available to the Company in respect of the rental and other outgoings relating to the Property, the net rental income which the Group and Easyknit International estimates would have been generated from the Property before and after property tax is approximately HK\$299,000 and HK\$261,000 respectively for the year ended 31 March 2011, and approximately HK\$449,000 and HK\$388,000 respectively for the year ended 31 March 2012.

DEFINITIONS

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

“Acquisition”	the acquisition of the Property by the Purchaser pursuant to the terms of the Provisional Agreement
“Board”	the board of Directors
“Company”	Easyknit Enterprises Holdings Limited, an exempted company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange
“Completion”	completion of the acquisition pursuant to the terms of the Provisional Agreement
“Consideration”	HK\$19,000,000, the consideration for the Acquisition
“Director(s)”	the director(s) of the Company
“Easyknit International”	Easyknit International Holdings Limited, an exempted company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“percentage ratios”	the meaning ascribed thereto in Chapter 14 of the Listing Rules
“Property”	1st Floor, No. 15 Matheson Street, Causeway Bay, Hong Kong
“Provisional Agreement”	a provisional sale and purchase agreement dated 18 April 2012 in relation to the Acquisition
“Purchaser”	Main Lucky Investments Limited, a company incorporated in Hong Kong and is a wholly-owned subsidiary of the Company
“Shareholders”	holders of the Shares
“Share(s)”	existing ordinary share(s) of HK\$0.01 each in the issued share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	tenants of common
“%”	per cent.

By Order of the Board
**EASYKNIT INTERNATIONAL
HOLDINGS LIMITED**
Kwong Jimmy Cheung Tim
President and Chief Executive Officer

By Order of the Board
**EASYKNIT ENTERPRISES
HOLDINGS LIMITED**
Kwong Jimmy Cheung Tim
Chairman and Chief Executive Officer

Hong Kong, 18 April 2012

As at the date hereof, the board of directors of Easyknit International 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.

As at the date hereof, the board of directors of Easyknit Enterprises 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. Kan Ka Hon, Mr. Lau Sin Ming and Mr. Foo Tak Ching as independent non-executive directors.