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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)

MAJOR TRANSACTION ACQUISITION OF PROPERTIES

ACQUISITION OF PROPERTIES

The board of EE Directors and the board of EI Directors are pleased to announce that the Purchaser has entered into 4 Provisional Agreements with the Vendors during the period from 27 April 2012 to 30 April 2012, pursuant to which amongst other things, the Purchaser agreed to acquire, and the Vendors agreed to sell, the Properties for a total consideration of HK\$62,000,000.

Easyknit Enterprises is a subsidiary of Easyknit International which has 72.36% shareholdings interests in Easyknit Enterprises.

AGGREGATION OF TRANSACTIONS AND LISTING RULES IMPLICATIONS TO EASYKNIT ENTERPRISES AND EASYKNIT INTERNATIONAL

Pursuant to Rule 14.23(3) of the Listing Rules, the Acquisitions are to be aggregated with Easyknit Enterprises transaction dated 18 April 2012 where it acquired a property unit in the same building as the Properties. In aggregate, they constitute major transactions for Easyknit Enterprises and Easyknit International under Rule 14.06(2) of the Listing Rules as the applicable percentage ratios calculated by reference to Rule 14.07 of the Listing Rules exceed 25% but are less than 100%. As such, the Acquisitions are subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

Details of the 18 April 2012 transaction are set out in the joint announcement of Easyknit Enterprises and Easyknit International dated 18 April 2012.

To the best knowledge, information and belief of the EE Directors and EI Directors, having made all reasonable enquiry, there is no EE Shareholder nor EI Shareholder who has a material interest in Acquisitions and is required to abstain from voting on the resolution for the approval of the Acquisitions, should it be put forward for the approval of EE Shareholders or EI Shareholders at the general meeting of Easyknit Enterprises and Easyknit International respectively.

** for identification only*

WRITTEN SHAREHOLDERS' APPROVAL

Pursuant to Rule 14.44 of the Listing Rules, in lieu of a resolution to be passed at a general meeting of Easyknit Enterprises, written approvals of the Acquisitions have been obtained from Landmark Profits Limited and Goodco Development Limited, the substantial shareholders of Easyknit Enterprises with an aggregate interest in 398,450,671 EE Shares, representing approximately 72.36% of the issued share capital of Easyknit Enterprises as at the date of this announcement.

Pursuant to Rule 14.44 of the Listing Rules, in lieu of a resolution to be passed at a general meeting of Easyknit International, written approvals of the Acquisitions have been obtained from Sea Rejoice Limited and Magical Profits Limited, the substantial shareholders of Easyknit International with an aggregate interest in 46,609,144 EI Shares, representing approximately 58.69% of the issued share capital of Easyknit International as at the date of this announcement.

Circulars containing, amongst others, details of the Acquisitions will be despatched to the EE Shareholders and EI Shareholders respectively in accordance with the requirements of the Listing Rules on or before 22 May 2012.

ACQUISITION OF PROPERTIES

The board of EE Directors and the board of EI Directors are pleased to announce that the Purchaser have entered into 4 Provisional Agreements with the Vendors during the period from 27 April 2012 to 30 April 2012, pursuant to which amongst other things, the Purchaser agreed to acquire, and the Vendors agreed to sell, the Properties for a total consideration of HK\$62,000,000.

THE PROVISIONAL AGREEMENTS

(A) Fung Provisional Agreement

Date: 27 April 2012, after trading hours

Parties: (a) The Vendor: FUNG Yuet Ho
(b) The Purchaser: Main Lucky Enterprises Limited

The Purchaser is an indirect wholly-owned subsidiary of Easyknit Enterprises.

To the best of the knowledge, information and belief of the EE Directors and EI Directors, having made all reasonable enquiry, the Vendor is a third party independent of Easyknit Enterprises and Easyknit International.

Pursuant to the terms of Fung Provisional Agreement, the Purchaser and Fung Yuet Ho will enter into a formal agreement for the acquisition of the Fung Property on or before 11 May 2012.

Assets to be Acquired

Pursuant to the terms of the Fung Provisional Agreement, the Purchaser will acquire the Fung Property from Fung Yuet Ho at a consideration of HK\$16,800,000. An initial deposit of HK\$1,000,000 was paid by the Purchaser upon signing of the Fung Provisional Agreement and a further deposit of HK\$2,360,000 will be payable by the Purchaser upon signing of the formal agreement on or before 11 May 2012. The balance of the consideration for the Fung Property, being HK\$13,440,000 will be paid upon completion, which is scheduled to take place on or before 9 June 2012.

The Property is currently leased by the Vendor to a tenant, which is a third party independent of Easyknit Enterprises and Easyknit International, for its leasing a monthly rental of HK\$19,500 (inclusive of management fees and government rates) for 2 years commencing 1 July 2011 to 30 June 2013.

Based on the information available to Easyknit Enterprises and Easyknit International in respect of the rental and other outgoings relating to the Fung Property, the net rental income which the Group and Easyknit International would have generated from the Property before and after tax would be approximately HK\$208,700 and HK\$178,600 respectively for the year ended 31 March 2011; and HK\$232,700 and HK\$199,000 respectively for the year ended 31 March 2012.

(B) Chan Provisional Agreement

Date: 30 April 2012

Parties: (a) The Vendor: CHAN Sun Sang Tony
(b) The Purchaser: Main Lucky Enterprises Limited

To the best of the knowledge, information and belief of EE Directors and EI Directors, having made all reasonable enquiries, the Vendor is a third party independent of Easyknit Enterprises and Easyknit International.

Pursuant to the terms of Chan Provisional Agreement, the Purchaser and Chan Sun Sang Tony will enter into a formal agreement for the acquisition of the Chan Property on or before 4 May 2012.

Assets to be Acquired

Pursuant to the terms of the Chan Provisional Agreement, the Purchaser will acquire the Chan Property from Chan Sun Sang Tony at a consideration of HK\$16,700,000. An initial deposit of HK\$1,000,000 was paid by the Purchaser upon signing of the Chan Provisional Agreement and a further deposit of HK\$2,340,000 will be payable by the Purchaser upon signing of the formal agreement on or before 4 May 2012. The balance of the consideration for the Fung Property, being HK\$13,360,000 will be paid upon completion, which is scheduled to take place on or before 9 June 2012.

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

(C) CC Provisional Agreement

Date: 30 April 2012

Parties: (a) The Vendor: Tenant in common
- CHAN Kwai Sang and CHAN Wai Ching Ivy
(b) The Purchaser: Main Lucky Enterprises Limited

To the best of the knowledge, information and belief of EE Directors and EI Directors, having made all reasonable enquiries, the Vendor is a third party independent of Easyknit Enterprises and Easyknit International.

Pursuant to the terms of CC Provisional Agreement, the Purchaser and the Vendor will enter into a formal agreement for the acquisition of the CC Property on or before 4 May 2012.

Assets to be Acquired

Pursuant to the terms of the CC Provisional Agreement, the Purchaser will acquire the Chan from the Vendor at a consideration of HK\$14,500,000. An initial deposit of HK\$1,000,000 was paid by the Purchaser upon signing the CC Provisional Agreement and a further deposit of HK\$1,900,000 will be payable by the Purchaser upon signing of the formal agreement on or before 4 May 2012. The balance of the consideration for the CC Property, being HK\$11,600,000 will be paid upon completion, which is scheduled to take place on or before 9 June 2012.

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

(D) Lee Provisional Agreement

Date: 30 April 2012

Parties: (a) The Vendor: Tenant in common
- LEE Ho Yee and CHAN Wai Pong
(b) The Purchaser: Main Lucky Enterprises Limited

To the best of the knowledge, information and belief of EE Directors and EI Directors, having made all reasonable enquiries, the Vendor is a third party independent of Easyknit Enterprises and Easyknit International.

Pursuant to the terms of Lee Provisional Agreement, the Purchaser and the Vendor will enter into a formal agreement for the acquisition of the Lee Property on or before 4 May 2012.

Assets to be Acquired

Pursuant to the terms of the Lee Provisional Agreement, the Purchaser will acquire the Lee Property from the Vendor at a consideration of HK\$14,000,000. An initial deposit of HK\$1,000,000 was paid by the Purchaser upon signing the Lee Provisional Agreement and

a further deposit of HK\$1,800,000 will be payable by the Purchaser upon signing of the formal agreement on or before 4 May 2012. The balance of the consideration for the Lee Property, being HK\$11,200,000 will be paid upon completion, which is scheduled to take place on or before 9 June 2012.

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

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Properties comprise 4 out of 6 units in a composite building situate at No. 15 Matheson Road, Causeway Bay, Hong Kong with a total saleable area of approximately 2,868 square feet. The current aggregate rental for the Properties which are subject to leases is HK\$19,500 per month.

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

The aggregate consideration of HK\$62,000,000 for the Properties was arrived at after arm's length negotiations between the Purchaser and the Vendors and by reference to the market value of similar properties in similar locations.

The Group will fund the Acquisitions from internal resources of the Group and/or bank financing.

The EE Directors and EI Directors consider the Acquisitions as an opportunity for the Group and Easyknit International to expand its property investment portfolio and increase the income stream of the Group. Both EE Directors and EI Directors also consider that the Properties has potential for appreciation.

The EE Directors and EI Directors, including the independent non-executive directors of Easyknit Enterprises and Easyknit International respectively, are of the view that the terms of the Provisional Agreements are fair and reasonable, on normal commercial terms and in the interests of the EE Shareholders and EI Shareholders as a whole.

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 Easyknit International and is principally engaged in property investment and development, securities investments and loan financing.

AGGREGATION OF TRANSACTIONS AND LISTING RULES IMPLICATIONS TO EASYKNIT ENTERPRISES AND EASYKNIT INTERNATIONAL

Pursuant to Rule 14.23(3) of the Listing Rules, the Acquisitions are to be aggregated with the Company's transaction dated 18 April 2012 where it acquired a property unit in the same building as the Properties. In aggregate, they constitute major transactions for Easyknit Enterprises and Easyknit International under Rule 14.06(2) of the Listing Rules as the applicable percentage ratios calculated by reference to Rule 14.07 of the Listing Rules exceed 25% but are less than 100%. As such, the Acquisitions are subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

Details of the 18 April 2012 transaction are set out in the joint announcement of Easyknit Enterprises and Easyknit International dated 18 April 2012

To the best knowledge, information and belief of the EE Directors and EI Directors, having made all reasonable enquiry, there is no EE Shareholder nor EI Shareholder who has a material interest in the Acquisition is required to abstain from voting on the resolution for the approval of the Acquisitions, should it be put forward to for the approval of EE Shareholders or EI Shareholders at the general meeting of Easyknit Enterprises and Easyknit International respectively.

WRITTEN SHAREHOLDERS' APPROVAL

Easyknit Enterprises

Pursuant to Rule 14.44 of the Listing Rules, in lieu of a resolution to be passed at a general meeting of Easyknit Enterprises, written approvals of the Acquisitions have been obtained from Landmark Profits Limited and Goodco Development Limited, the substantial shareholders of Easyknit Enterprises with an aggregate interest in 398,450,671 EE Shares, representing approximately 72.36% of the issued share capital of Easyknit Enterprises as at the date of this announcement. Landmark Profits Limited and Goodco Development Limited are interested in 174,592,987 EE Shares and 223,857,684 EE Shares respectively, representing approximately 31.70% and 40.66% of the issued share capital of Easyknit Enterprises. Landmark Profits Limited and Goodco Development Limited are wholly-owned subsidiaries of Easyknit International.

A circular containing, amongst other things, details of the Acquisitions will be despatched to the EE Shareholders in accordance with the requirements of the Listing Rules on or before 22 May 2012.

Easyknit International

Pursuant to Rule 14.44 of the Listing Rules, in lieu of a resolution to be passed at a general meeting of Easyknit International, written approvals of the Acquisitions have been obtained from Sea Rejoice Limited and Magical Profits Limited, the substantial shareholders of Easyknit International with an aggregate interest in 46,609,144 EI Shares, representing approximately 58.69% of the issued share capital of Easyknit International as at the date of this announcement. Sea Rejoice Limited which holds 17,429,664 EI Shares, representing approximately 21.95% of the issued shares of Easyknit International, is wholly-owned by Ms. Lui Yuk Chu, the vice president and executive director of Easyknit Enterprises and Easyknit International. Magical Profits Limited, which holds 29,179,480 shares, representing approximately 36.74% of the issued shares of the company is wholly-owned by Hang Seng Bank Trustee International Limited as trustee of The Magical 2000 Trust (the beneficiaries of which include Ms. Lui Yuk Chu and her family members (including Ms. Koon Ho Yan Candy, daughter of Ms. Lui Yuk Chu and an executive director of Easyknit Enterprises and Easyknit International) other than the spouse of Ms. Lui Yuk Chu). Sea Rejoice Limited and Magical Profits Limited are therefore a "closely allied group of shareholders" for the purpose of Listing Rules.

A circular containing, amongst other things, details of the Acquisitions will be despatched to the EI Shareholders in accordance with the requirements of the Listing Rules on or before 22 May 2012.

DEFINITIONS

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

“Acquisitions”	the acquisitions of the Properties by Purchaser
“CC Property”	the 4/F of No. 15 Matheson Street, Causeway Bay, Hong Kong, with a saleable area of approximately 717 square feet
“CC Provisional Agreement”	the provisional sale and purchase agreement for the sale and purchase of the CC Property, entered into between the Purchaser and Chan Kwai Sang and Chan Wai Ching Ivy
“Chan Property”	the 3/F of No. 15 Matheson Street, Causeway Bay, Hong Kong, with a saleable area of approximately 717 square feet
“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 Sun Sang Tony
“EE Director(s)”	the director(s) of Easyknit Enterprises
“EI Director(s)”	the director(s) of Easyknit International
“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
“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
“Fung Property”	the 2/F of No. 15 Matheson Street, Causeway Bay, Hong Kong, with a saleable area of approximately 717 square feet
“Fung Provisional Agreement”	the provisional sale and purchase agreement for the sale and purchase of the Fung Property, entered into between the Purchaser and Fung Yuet Ho
“Group”	Easyknit Enterprises and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Lee Property”	the 5/F of No. 15 Matheson Street, Causeway Bay, Hong Kong, with a saleable area of approximately 717 square feet

“Lee Provisional Agreement”	the provisional sale and purchase agreement for the sale and purchase of the Lee Property, entered into between the Purchaser and Lee Ho Yee and Chan Wai Pong
“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
“Properties”	the Fung Property, Chan Property, CC Property and Lee Property
“Provisional Agreements”	the Fung Provisional Agreement, the Chan Provisional Agreement, the CC Provisional Agreement and Lee Provisional Agreement
“Purchaser”	Main Lucky Enterprises Limited, a company incorporated in Hong Kong and is a wholly-owned subsidiary of Easyknit Enterprises
“EE Shareholders”	holders of the shares of Easyknit Enterprises
“EI Shareholders”	holders of the shares of Easyknit International
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor(s)”	Fung Yuet Ho; Chan Sun Sang Tony; Chan Kwai Sang and Chan Wai Ching Ivy; and Lee Ho Yee and Chan Wai Pong
“%”	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, 30 April 2012

As at the date hereof, the board of EI Directors 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 EE Directors 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.