

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, 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 announcement.



EASYKNIT INTERNATIONAL HOLDINGS LIMITED

永義國際集團有限公司*

(incorporated in Bermuda with limited liability)

(Stock Code: 1218)

DISCLOSEABLE TRANSACTION IN RELATION TO THE ACQUISITION OF PROPERTIES

On 3 June 2013, TEL entered into Agreements in relation to the Acquisition.

The Acquisition standing alone constitutes a discloseable transaction under Rule 14.06(2) of the Listing Rules as the applicable percentage ratios of the Acquisition exceed 5% but are less than 25%. The Acquisition is therefore subject to the reporting and announcement requirements under the Listing Rules. The Acquisition when aggregated with the acquisition of the Inverness Properties (details of which were set out in the Announcement) still remains as a major transaction under the Listing Rules. Since the Company has complied with the major transaction requirements in respect of the completed transaction as set out in the Announcement, the Company is not required to reclassify the Acquisition by aggregating it with the completed transaction.

PURCHASE OF THE REMAINING UNITS

Reference is made to the Announcement, the Company via the acquisition of all the issued shares and sale loan of TEL became the owner of the Inverness Properties, which comprises 6 out of the 8 units in the Building.

On 3 June 2013, TEL and the Seller entered into Agreements in relation to the Acquisition. A summary of the principal terms of the Agreements is set out in this announcement.

THE AGREEMENTS

Date : 3 June 2013
Purchaser : TEL
Seller : an individual legal person who is an Independent Third Party

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Seller is an Independent Third Party. Prior to the Agreements, there were no arrangement between the Company and the Seller in relation to the Agreements.

** for identification purposes only*

Assets to be acquired

The Group has agreed to acquire the Remaining Units.

Under the Agreements, the Remaining Units is sold to TEL with 3 tenancies and a licence to use upon Completion.

The Remaining Units is currently on lease at an aggregate rental of approximately HK\$70,500 per month and currently occupied as garages purpose. The licence will expire in December 2013 and the 3 tenancies will expire in December 2013, April 2014 and June 2015 respectively.

The purchase price and other related expenses for the acquisition of the Remaining Units amounted to HK\$49,300,000. A total of HK\$15,300,000 has been paid by TEL upon signing of the Agreements and a further deposit HK\$4,400,000 will be paid by TEL upon signing of the formal sale and purchase agreement on or before 13 June 2013. The balance of the costs for the Remaining Units, being HK\$29,600,000, will be paid upon Completion, which is scheduled to take place on or before 21 August 2013.

The aforesaid costs are determined after arm's length negotiations between TEL and the Seller and by reference to the market value of similar properties in similar locations. The valuation on the site value of the 100% interest of the Building with vacant possession was approximately HK\$297,000,000 as at 30 September 2012 which was prepared by independent valuers.

Source of Funding

The Group will fund the Acquisition from its internal resources and bank borrowings.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Acquisition will enable the Group to expand its property investment portfolio and provide the Group with further potential income from property investment. In addition, upon the completion of the sale and purchase of the Remaining Units, the Company is the owner of the whole Building and the Group may contemplate to redevelop if and when the Directors consider market sentiment to be appropriate.

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

INFORMATION ON THE COMPANY AND TEL

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

TEL is a wholly-owned subsidiary of the Company and is a property development company. The sole assets of TEL are the Inverness Properties.

LISTING RULES IMPLICATIONS

The Acquisition standing alone constitutes a discloseable transaction under Rule 14.06(2) of the Listing Rules as the applicable percentage ratios of the Acquisition exceed 5% but are less than 25%. The Acquisition is therefore subject to the reporting and announcement requirements under the Listing Rules. The Acquisition when aggregated with the acquisition of the Inverness Properties (details of which are set out in the Announcement) still remains as a major transaction under the Listing Rules. Since the Company has complied with the major transaction requirements in respect of the completed transaction as set out in the Announcement, the Company is not required to reclassify the Acquisition by aggregating it with the completed transaction.

DEFINITIONS

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

“Acquisition”	the acquisition of the Remaining Units
“Agreements”	a provisional sale and purchase agreement and a supplemental agreement both dated 3 June 2013 in relation to the Acquisition
“Announcement”	the announcement of the Company dated 20 June 2012 in relation to, among other things, the acquisition of all the issued shares and sale loan of TEL
“Board”	the board of Directors
“Building”	the building situated at No. 14 and 16 of Inverness Road, Kowloon Tong, Kowloon, Hong Kong
“Company”	Easyknit International Holdings Limited (永義國際集團有限公司), a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange
“Completion”	completion of the formal sale and purchase agreement pursuant to the terms thereof
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party”	a third party independent of the Company and of connected persons (as defined in the Listing Rules) of the Company

“Inverness Properties”	collectively the First Floor and the Second Floor of No. 14 Inverness Road; and the Basement, the Ground Floor, the First Floor, Second Floor and the Roof of No. 16 Inverness Road, Kowloon Tong, Kowloon, Hong Kong
“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
“PRC”	the People’s Republic of China
“Remaining Units”	Basement and Ground Floor of No. 14 Inverness Road, Kowloon Tong, Kowloon, Hong Kong
“Seller”	an individual legal person who is an Independent Third Party
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“TEL”	Total Expect Limited, a company incorporated under the laws of British Virgin Islands and a wholly-owned subsidiary of the Company

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

Hong Kong, 3 June 2013

As at the date hereof, the Board comprises Mr. Kwong Jimmy Cheung Tim, Ms. Lui Yuk Chu and Ms. Koon Ho Yan Candy as executive directors, Mr. Tse Wing Chiu Ricky as non-executive director and Mr. Tsui Chun Kong, Mr. Jong Koon Sang and Mr. Hon Tam Chun as independent non-executive directors.