

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



Easyknit International Holdings Limited
永義國際集團有限公司*
(Incorporated in Bermuda with limited liability)
(Stock code : 1218)

VERY SUBSTANTIAL ACQUISITION

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 5 Provisional Agreements with the Vendors on 30 October 2014, pursuant to which amongst other things, the Purchaser agreed to acquire, and the Vendors agreed to sell, the Properties for an aggregate consideration and other related expenses of HK\$169,500,000.

Easyknit Enterprises is a subsidiary of Easyknit International which has 40.96% shareholdings interests in Easyknit Enterprises.

LISTING RULES IMPLICATIONS TO EASYKNIT ENTERPRISES

Under Chapter 14 of the Listing Rules, the Acquisitions constitute a very substantial acquisition of Easyknit Enterprises. The Acquisitions and the transactions contemplated thereunder are subject to the reporting, announcement and shareholders' approval requirements pursuant to the Listing Rules.

The EE SGM will be convened and held to consider and, if thought fit, approve the Acquisitions and the transactions contemplated thereunder. A circular containing, among other things, (i) further details of the Acquisitions; (ii) financial information on the Properties; (iii) pro forma financial information on the EE Group; and (iv) independent property valuation report of the Properties, together with a notice convening the EE SGM is expected to be despatched to the EE Shareholders on or before 23 December 2014 as additional time is required to finalise the financial information of the circular.

LISTING RULES IMPLICATIONS TO EASYKNIT INTERNATIONAL

Under Chapter 14 of the Listing Rules, the Acquisitions constitute a major transaction of Easyknit International. The Acquisitions and the transactions contemplated thereunder are subject to the reporting, announcement and shareholders' approval requirements pursuant to the Listing Rules.

** for identification only*

To the best knowledge, information and belief of the EI Directors, having made all reasonable enquiry, there is no EI Shareholder who has a material interest in the 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 EI Shareholders at the general meeting of 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.

A circular containing, among other things, (i) further details of the Acquisitions; (ii) financial information on the Properties; (iii) pro forma financial information on the EI Group; and (iv) independent property valuation report of the Properties, is expected to be despatched to the EI Shareholders on or before 23 December 2014 as additional time is required to finalise the financial information of the circular.

ACQUISITION OF PROPERTIES

The board of EE Directors and the board of EI Directors are pleased to announce that the Purchaser have entered into 5 Provisional Agreements with the Vendors on 30 October 2014, pursuant to which amongst other things, the Purchaser agreed to acquire, and the Vendors agreed to sell, the Properties for an aggregate consideration and other related expenses of HK\$169,500,000.

THE PROVISIONAL AGREEMENTS

(A) Ho Provisional Agreement

Parties: (a) The Vendor: Tenant in common
- HO Hon Chung Ivan & CHUNG Susan Anna
(b) The Purchaser: Land Bloom Holdings Limited

The Purchaser is a direct 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 the Ho Provisional Agreement, the Purchaser and the Vendor will enter into a formal agreement for the acquisition of the Ho Property on or before 13 November 2014.

Assets to be Acquired

Pursuant to the terms of the Ho Provisional Agreement, the Purchaser will acquire the Ho Property from the Vendor at a consideration of HK\$21,000,000. An initial deposit of HK\$2,100,000 was paid by the Purchaser upon signing of the Ho Provisional Agreement and a further deposit of HK\$2,100,000 will be payable by the Purchaser on or before 30 December 2014. The balance of the consideration for the Ho Property, being HK\$16,800,000 will be paid upon Completion.

The Vendor is licensed to occupy the Ho Property free of rental for 4 months after the date of Completion. During this period, the Vendor is responsible for the payment of management fees (if any) and the government rates. The Ho Property will be delivered with vacant possession upon the expiry of the 4 months' licence period.

(B) Cheong Provisional Agreement

Parties: (a) The Vendor: CHEONG Siu Mui
(b) The Purchaser: Land Bloom Holdings 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 the Cheong Provisional Agreement, the Purchaser and the Vendor will enter into a formal agreement for the acquisition of the Cheong Property on or before 13 November 2014.

Assets to be Acquired

Pursuant to the terms of the Cheong Provisional Agreement, the Purchaser will acquire the Cheong Property from the Vendor at a consideration of HK\$21,000,000. An initial deposit of HK\$2,100,000 was paid by the Purchaser upon signing of the Cheong Provisional Agreement and a further deposit of HK\$2,100,000 will be payable by the Purchaser on or before 30 December 2014. The balance of the consideration for the Cheong Property, being HK\$16,800,000 will be paid upon Completion.

The Vendor is licensed to occupy the Cheong Property free of rental for 4 months after the date of Completion. During this period, the Vendor is responsible for the payment of management fees (if any) and the government rates. The Cheong Property will be delivered with vacant possession upon the expiry of the 4 months' licence period.

(C) WK Provisional Agreement

Parties: (a) The Vendor: Tenant in common
- WONG Kwok Him & WONG Kin May
(b) The Purchaser: Land Bloom Holdings 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 the WK Provisional Agreement, the Purchaser and the Vendor will enter into a formal agreement for the acquisition of the WK Property on or before 13 November 2014.

Assets to be Acquired

Pursuant to the terms of the WK Provisional Agreement, the Purchaser will acquire the WK Property from the Vendor at a consideration of HK\$21,000,000. An initial deposit of HK\$2,100,000 was paid by the Purchaser upon signing of the WK Provisional Agreement and a further deposit of HK\$2,100,000 will be payable by the Purchaser on or before 30 December 2014. The balance of the consideration for the WK Property, being HK\$16,800,000 will be paid upon Completion.

The Vendor is licensed to occupy the WK Property free of rental for 4 months after the date of Completion. During this period, the Vendor is responsible for the payment of management fees (if any) and the government rates. The WK Property will be delivered with vacant possession upon the expiry of the 4 months' licence period.

(D) WL Provisional Agreement

Parties: (a) The Vendor: WONG Lai Kam
(b) The Purchaser: Land Bloom Holdings 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 the WL Provisional Agreement, the Purchaser and the Vendor will enter into a formal agreement for the acquisition of the WL Property on or before 13 November 2014.

Assets to be Acquired

Pursuant to the terms of the WL Provisional Agreement, the Purchaser will acquire the WL Property from the Vendor at a consideration of HK\$21,000,000. An initial deposit of HK\$2,100,000 was paid by the Purchaser upon signing of the WL Provisional Agreement and a further deposit of HK\$2,100,000 will be payable by the Purchaser on or before 30 December 2014. The balance of the consideration for the WL Property, being HK\$16,800,000 will be paid upon Completion.

The WL Property is currently leased by the Vendor to 2 tenants, which are third parties independent of Easyknit Enterprises and Easyknit International, for its leasing to a tenant at a monthly rental of HK\$14,000 (inclusive of management fees and government rates) for 2 years commencing 10 March 2013 to 9 March 2015; and the other at a monthly rental of HK\$8,000 (inclusive of management fees and government rates) for 2 years commencing 26 February 2013 to 25 February 2015.

The WL Property will be delivered with vacant possession upon Completion.

(E) Ang Provisional Agreement

Parties: (a) The Vendor: ANG Giok Hian
(b) The Purchaser: Land Bloom Holdings 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 the Ang Provisional Agreement, the Purchaser and the Vendor will enter into a formal agreement for the acquisition of the Ang Property on or before 13 November 2014.

Assets to be Acquired

Pursuant to the terms of the Ang Provisional Agreement, the Purchaser will acquire the Ang Property from the Vendor at a consideration of HK\$84,000,000. An initial deposit of HK\$8,400,000 was paid by the Purchaser upon signing of the Ang Provisional Agreement

and a further deposit of HK\$8,400,000 will be payable by the Purchaser on or before 30 December 2014. The balance of the consideration for the Ang Property, being HK\$67,200,000 will be paid upon Completion.

The Vendor is licensed to occupy the Ang Property free of rental for 4 months after the date of Completion. During this period, the Vendor is responsible for the payment of management fees (if any) and the government rates. The Ang Property will be delivered with vacant possession upon the expiry of the 4 months' licence period.

REASONS FOR AND BENEFITS OF THE ACQUISITIONS

The Properties comprise all the units in a composite building situate at Site 2 and Site 3 with a total saleable area of approximately 9,196 square feet. The current aggregate rental for the Properties which are subject to leases is HK\$22,000 per month.

The Properties will be used by the EE Group for property development.

The aggregate consideration and other related expenses of the Properties of HK\$169,500,000 was determined after arm's length negotiations between the Purchaser and the Vendor with reference to the location of the Properties and the preliminary valuation of HK\$240 million indicated by Vigers Appraisal And Consulting Limited.

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

Upon the completion for purchase of Site 1 in late November 2014, Easyknit Enterprises via its subsidiary will have 100% interest in Site 1. Both Site 2 and Site 3 are located next to Site 1. The EE Directors and EI Directors intend to consolidate its ownership of Site 1, Site 2 and Site 3 with a view of redeveloping the site, therefore both EE Directors and EI Directors consider the Acquisitions is an opportunity for Easyknit Enterprises to proceed the redevelopment of the Site 1, Site 2 and Site 3 upon the completion of the Acquisitions.

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 EE GROUP AND EASYKNIT INTERNATIONAL

EE Group is principally engaged in property investment, garment sourcing and export businesses, investments in securities and loan financing.

Easyknit International is an investment holding company which holds approximately 40.96% interests in Easyknit Enterprises. Easyknit International is principally engaged in property investments, property development, garment sourcing and export businesses, investment in securities and loan financing.

LISTING RULES IMPLICATIONS TO EASYKNIT ENTERPRISES

Under Chapter 14 of the Listing Rules, the Acquisitions constitute a very substantial acquisition of Easyknit Enterprises. The Acquisitions and the transactions contemplated thereunder are subject to the reporting, announcement and shareholders' approval requirements pursuant to the Listing Rules.

The EE SGM will be convened and held to consider and, if thought fit, approve the Acquisitions and the transactions contemplated thereunder. A circular containing, among other things, (i) further details of the Acquisitions; (ii) financial information on the Properties; (iii) pro forma financial information on the EE Group; and (iv) independent property valuation report of the Properties, together with a notice convening the EE SGM is expected to be despatched to the EE Shareholders on or before 23 December 2014 as additional time is required to finalise the financial information of the circular.

LISTING RULES IMPLICATIONS TO EASYKNIT INTERNATIONAL

Under Chapter 14 of the Listing Rules, the Acquisitions constitute a major transaction of Easyknit International. The Acquisitions and the transactions contemplated thereunder are subject to the reporting, announcement and shareholders' approval requirements pursuant to the Listing Rules.

To the best knowledge, information and belief of the EI Directors, having made all reasonable enquiry, there is no 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 EI Shareholders at the general meeting of 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.

A circular containing, among other things, (i) further details of the Acquisitions; (ii) financial information on the Properties; (iii) pro forma financial information on the EI Group; and (iv) independent property valuation report of the Properties, is expected to be despatched to the EI Shareholders on or before 23 December 2014 as additional time is required to finalise the financial information of the circular. .

DEFINITIONS

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

“Acquisitions”	the acquisitions of the Properties by the Purchaser
“Ang Property”	the basement, G/F, 1/F and 2/F of Site 3 with a saleable area of approximately 4,598 square feet
“Ang Provisional Agreement”	the provisional sale and purchase agreement for the sale and purchase of the Ang Property, entered into between the Purchaser and Ang Giok Hian
“Cheong Property”	the G/F of Site 2 with a saleable area of approximately 1,173 square feet
“Cheong Provisional Agreement”	the provisional sale and purchase agreement for the sale and purchase of the Cheong Property, entered into between the Purchaser and CHEONG Siu Mui

“Completion”	on or before 30 January 2015 or at a later date being agreed by the Purchaser and the Vendors
“EE Director(s)”	the director(s) of Easyknit Enterprises
“EE Group”	Easyknit Enterprises and its subsidiaries
“EE SGM”	the special general meeting to be convened and held by Easyknit Enterprises to consider and approve the Provisional Agreements and the transactions contemplated thereunder
“EE Share(s)”	ordinary share(s) of par value HK\$0.01 each in the share capital of Easyknit Enterprises
“EE Shareholders”	holders of the EE Shares
“EI Director(s)”	the director(s) of Easyknit International
“EI Group”	Easyknit International and its subsidiaries
“EI Share(s)”	ordinary share(s) of par value HK\$0.10 each in the share capital of Easyknit International
“EI Shareholders”	holders of the EI Shares
“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
“Ho Property”	the basement of Site 2 with a saleable area of approximately 1,079 square feet
“Ho Provisional Agreement”	the provisional sale and purchase agreement for the sale and purchase of the Ho Property, entered into between the Purchaser and HO Hon Chung Ivan & CHUNG Susan Anna
“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
“Properties”	the Ho Property, Cheong Property, WK Property, WL Property and Ang Property

“Provisional Agreements”	the Ho Provisional Agreement, the Cheong Provisional Agreement, the WK Provisional Agreement, the WL Provisional Agreement and the Ang Provisional Agreement
“Purchaser”	Land Bloom Holdings Limited, a company incorporated in the British Virgin Islands and is a wholly-owned subsidiary of Easyknit Enterprises
“Site 1”	No. 14 & 16 Inverness Road, Kowloon Tong, Kowloon, Hong Kong with a saleable area of approximately 8,441 square feet
“Site 2”	No. 18 Inverness Road, Kowloon Tong, Kowloon, Hong Kong with a saleable area of approximately 4,598 square feet
“Site 3”	No. 20 Inverness Road, Kowloon Tong, Kowloon, Hong Kong with a saleable area of approximately 4,598 square feet
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“WK Property”	the 1/F of Site 2 with a saleable area of approximately 1,173 square feet
“WK Provisional Agreement”	the provisional sale and purchase agreement for the sale and purchase of the WK Property, entered into between the Purchaser and WONG Kwok Him & WONG Kin May
“WL Property”	the 2/F of Site 2 with a saleable area of approximately 1,173 square feet
“WL Provisional Agreement”	the provisional sale and purchase agreement for the sale and purchase of the WL Property, entered into between the Purchaser and WONG Lai Kam
“Vendor(s)”	HO Hon Chung Ivan & CHUNG Susan Anna; CHEONG Siu Mui; WONG Kwok Him & WONG Kin May; WONG Lai Kam; and ANG Giok Hian
“%”	per cent.

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

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

Hong Kong, 30 October 2014

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 and Mr. Lai Law Kau as non-executive directors; and Mr. Kan Ka Hon, Mr. Lau Sin Ming and Mr. Foo Tak Ching as independent non-executive directors.

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 and Mr. Lai Law Kau as non-executive directors; and Mr. Tsui Chun Kong, Mr. Jong Koon Sang and Mr. Hon Tam Chun as independent non-executive directors.