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

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**If you are in doubt** as to any aspect of this circular or as to the action to be taken, you should consult a 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 Enterprises Holdings Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the 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.

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**EASYKNIT ENTERPRISES HOLDINGS LIMITED**

**永義實業集團有限公司\***

*(incorporated in Bermuda with limited liability)*

**(Stock Code: 0616)**

**VERY SUBSTANTIAL ACQUISITION  
IN RELATION TO  
THE ACQUISITION OF PROPERTIES  
AND  
NOTICE OF SPECIAL GENERAL MEETING**

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Capitalised terms used in this cover page shall have the same meanings as those defined in this circular.

A letter from the Board is set out on pages 4 to 10 of this circular.

A notice convening the SGM to be held at Block A, 7th Floor, Hong Kong Spinners Building, Phase 6, 481-483 Castle Peak Road, Cheung Sha Wan, Kowloon, Hong Kong on Monday, 12 January 2015 at 9:10 a.m. is set out on pages N-1 to N-2 of this circular. A form of proxy for use at the SGM is enclosed. Whether or not you are able to attend the SGM, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return the same to the Company's branch share registrar and transfer office in Hong Kong, Tricor Secretaries Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as practicable but in any event not later than 48 hours before the time appointed for holding of the SGM. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof (as the case may be) should you so wish and in such case, the form of proxy shall be deemed to be revoked.

\* *for identification only*

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## DEFINITIONS

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*In this circular, unless the contents otherwise requires, the following expressions have the meanings as set out below.*

“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
“Board”	the board of Director(s)
“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
“Director(s)”	the director(s) of Easyknit Enterprises
“Easyknit Enterprises” or “Company”	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
“Goodco”	Goodco Development Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of Easyknit International, being a substantial shareholder of Easyknit Enterprises
“Group”	Easyknit Enterprises and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Ho Property”	the basement of Site 2 with a saleable area of approximately 1,079 square feet

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## DEFINITIONS

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“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
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	17 December 2014, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“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
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)
“SGM”	the special general meeting of the Company to be held at Block A, 7th Floor, Hong Kong Spinners Building, Phase 6, 481-483 Castle Peak Road, Cheung Sha Wan, Kowloon, Hong Kong on Monday, 12 January 2015 at 9:10 a.m. for the purpose of considering and, if thought fit, approving the Provisional Agreements and the transactions contemplated thereunder
“Share(s)”	ordinary share(s) of par value HK\$0.01 each in the share capital of Easyknit Enterprises
“Shareholders”	holders of the Shares
“Site 1”	No. 14 & 16 Inverness Road, Kowloon Tong, Kowloon, Hong Kong with a saleable area of approximately 8,441 square feet

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## DEFINITIONS

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“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.

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LETTER FROM THE BOARD

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**EASYKNIT ENTERPRISES HOLDINGS LIMITED**

**永義實業集團有限公司\***

*(incorporated in Bermuda with limited liability)*

**(Stock Code: 0616)**

*Executive Directors:*

Mr. Kwong Jimmy Cheung Tim  
*(Chairman and Chief Executive Officer)*

Ms. Lui Yuk Chu  
*(Deputy Chairman)*

Ms. Koon Ho Yan Candy

*Non-executive Directors:*

Mr. Tse Wing Chiu Ricky

Mr. Lai Law Kau

*Independent Non-executive Directors:*

Mr. Kan Ka Hon

Mr. Lau Sin Ming

Mr. Foo Tak Ching

*Registered office:*

Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

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

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

19 December 2014

*To the Shareholders*

Dear Sir or Madam,

**VERY SUBSTANTIAL ACQUISITION  
IN RELATION TO  
THE ACQUISITION OF PROPERTIES**

**INTRODUCTION**

The Board is pleased to announce that on 30 October 2014, 5 Provisional Agreements were entered into between a direct wholly-owned subsidiary of the Company as purchaser with the Vendors, 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.

\* for identification only

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## LETTER FROM THE BOARD

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The purpose of this circular is to provide you with (i) details of the Acquisitions; (ii) financial information of the WL Property; (iii) pro forma financial information of the Group; (iv) independent property valuation of the Properties; and (v) a notice of SGM to be convened and held for purpose of considering and, if thought fit, approving the Provisional Agreements and the transactions contemplated thereunder.

### SUBJECT OF THE ACQUISITIONS

The Acquisitions are related to the Properties which are situated at basement, ground floor, 1st floor and 2nd floor of No. 18 & 20 Inverness Road, Kowloon Tong, Kowloon, Hong Kong.

The Properties will be sold to the Purchaser free from any encumbrances and as is basis.

### PRINCIPAL TERMS OF 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

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

The Purchaser and the Vendor entered into a formal agreement for the acquisition of Ho Property on 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); rates and government rent. The Ho Property will be delivered with vacant possession upon the expiry of the 4 months' licence period.

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## LETTER FROM THE BOARD

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### **(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 Directors, having made all reasonable enquiries, the Vendor is a third party independent of Easyknit Enterprises

The Purchaser and the Vendor entered into a formal agreement for the acquisition of Cheong Property on 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); rates and government rent. 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 Directors, having made all reasonable enquiries, the Vendor is a third party independent of Easyknit Enterprises.

The Purchaser and the Vendor entered into a formal agreement for the acquisition of WK Property on 13 November 2014.

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## LETTER FROM THE BOARD

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### *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); rates and government rent. 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 Directors, having made all reasonable enquiries, the Vendor is a third party independent of Easyknit Enterprises.

The Purchaser and the Vendor entered into a formal agreement for the acquisition of WL Property on 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, for its leasing to a tenant at a monthly rental of HK\$14,000 (inclusive of management fees; rates and government rent) 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; rates and government rent) commencing 26 February 2013 to the date of Completion.

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

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## LETTER FROM THE BOARD

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### (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 Directors, having made all reasonable enquiries, the Vendor is a third party independent of Easyknit Enterprises.

The Purchaser and the Vendor entered into a formal agreement for the acquisition of Ang Property on 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); rates and government rent. 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 Group for property development.

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

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

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## LETTER FROM THE BOARD

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On 21 November 2014, the Company via its subsidiary has 100% interest in Site 1. Both Site 2 and Site 3 are located next to Site 1. The Directors intends to consolidate its ownership of Site 1, Site 2 and Site 3 with a view of redeveloping the site, therefore the Directors considers 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 Directors, including the independent non-executive directors of the Company, 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 Shareholders as a whole.

### FINANCIAL EFFECTS OF THE ACQUISITIONS

#### Earnings

For the Properties, only WL Property is subject to 2 tenancies. It was informed by the Vendor that the tenants agreed to vacant the WL Property upon the Completion and therefore upon the Completion, no Properties will generate any rental income to the Group.

#### Assets and Liabilities

Upon the completion of the acquisitions of the Properties, the effect of the Acquisitions is that the segment on property development held by the Group will increase; cash reserve will decrease as it will be applied towards the settlement of the consideration and direct expenses for the Acquisitions; the Group will fund the Acquisitions by internal resources and/or bank financing.

Details of the pro forma financial information of the Group following the completion of the Acquisitions are set out in the Appendix III to this circular.

### INFORMATION ON THE GROUP AND THE PURCHASER

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

The Purchaser, Land Bloom Holdings Limited, is an investment holding company incorporated in British Virgin Islands with limited liability and is a direct wholly-owned subsidiary of the Company.

#### SGM

The Acquisitions constitutes a very substantial acquisition transaction for the Company under the Listing Rules, for which Shareholders' approval is required. At present, no Shareholder is required to abstain from voting on the approval of the Acquisitions.

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## LETTER FROM THE BOARD

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A notice convening the SGM to be held on Monday, 12 January 2015 at 9:10 a.m. at Block A, 7th Floor, Hong Kong Spinners Building, Phase 6, 481-483 Castle Peak Road, Cheung Sha Wan, Kowloon, Hong Kong for the purpose of considering and, if thought fit, approving, among other things, the Acquisitions is set out on pages N-1 to N-2 of this circular.

Whether or not Shareholders are able to attend the meeting, they are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar and transfer office in Hong Kong, Tricor Secretaries Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the SGM. Completion and return of the form or proxy will not preclude the Shareholders from subsequently attending and voting in person at the SGM or any adjournment thereof should they so wish.

### RECOMMENDATION

The Board considers that the terms of the Provisional Agreements are fair and reasonable and in the interest of the Company and Shareholders as a whole. The Board therefore recommends the Shareholders to vote in favour of the ordinary resolution to be proposed at the SGM to approve the Acquisitions and matters ancillary thereto as set out in the notice of SGM.

### ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this circular.

Your faithfully,  
By Order of the Board  
**Easyknit Enterprises Holdings Limited**  
**Kwong Jimmy Cheung Tim**  
*Chairman & Chief Executive Officer*

**1. FINANCIAL SUMMARY OF THE GROUP**

The published audited consolidated financial statements of the Group for the years ended 31 March 2012, 2013 and 2014 are disclosed in the annual reports of the Company for the year ended 31 March 2012, 2013 and 2014. The published unaudited consolidated financial statements of the Group for the six months ended 30 September 2014 is disclosed in 2014 interim report of the Company, which can be accessed on the website of the Company ([www.easyknitenterp.com](http://www.easyknitenterp.com)) and the website of the Stock Exchange ([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 Acquisition and the present available financial resources, its expected internally generated funds and the present available banking facilities of the Group, the Group will have 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 31 October 2014, being the latest practicable date for ascertaining the information prior to the printing of this circular, the Group has outstanding bank borrowings of approximately HK\$158.1 million, which was guaranteed by the Company and were secured by certain investment properties of the Group. The bank borrowings comprised bank loans of approximately HK\$157.9 million and interest payable of approximately HK\$0.2 million.

Apart from as disclosed above and intra-group liabilities, the Group did not have at the close of business on 31 October 2014 any debt securities authorised or created by unissued, 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**

As mentioned in the interim report of the Company for the six months ended 30 September 2014, the Board is optimistic towards its core businesses and will seize the business opportunities to achieve long-term sustainable growth for the benefit of the Group and its shareholders as a whole.

Looking forward to the year 2014/15, despite of a few uncertainties of the global economics, such as the adjustments to the macroeconomic policies of major economies and geopolitical tensions, the low interest rate environment is likely to continue, which favours the economic recovery. As the US government keeps on measured reductions in the pace of asset purchases; the economic environment of the European countries is improving; the Chinese government implements various stimulative policies to ensure a moderate to high rate of growth while continuing its economic restructuring, the Group believes any changes to the global monetary policies in the future would be in a gradual and controlled manner. The global economy is expected to recover steadily.

For the Group's real estate business, the direction of the local property market is still determined by the local government policies. Signs of demand for luxury residential properties arose over the past few months, which is likely to continue into the second half. The Group remains confident and optimistic towards the local property market. For the Matheson Street project, the Company still continues negotiating with owners of the properties of No. 11 and 13 Matheson Street to acquire those properties. On the other hand, the acquisition of No.14 and 16 Inverness Road has been completed in 21 November 2014 and the acquisition of No. 18 and 20 Inverness Road is scheduled to be completed by January 2015, which provides the Company an imminent opportunity to redevelop the site for residential purpose.

For the Group's garment business, ever rising sourcing and labor costs and transfer of customer orders placed the garment industry into a disadvantaged competitive position. Nevertheless, the Group would still use its best endeavours to maintain sales volume with the current customers and strengthen its marketing strategies to fit the prevailing industry trend. The turnover generated from the garment sourcing and export businesses segment is expected to remain stable in the second half.

The Group's strategies are devised to create shareholder value in a long term sustainable manner. The Board is optimistic towards its core business and will seize all business opportunities in order to maximise the shareholder value.

## **5. MATERIAL CHANGE**

The Directors confirm that there has been no material change in the financial or trading position or outlook of the Group since 31 March 2014, the date to which the latest published audited financial statements of the Company were made up, up to and including the Latest Practicable Date, save as mentioned below:

- (i) As disclosed in the announcement of the Company on 3 April 2014, the Company received notice from Goodco, requesting for the conversion of the convertible note in the principal amount of HK\$20.0 million.

- (ii) As disclosed in the Company's announcement on 30 April 2014, the Company, through its indirectly held wholly-owned subsidiary, acquired the ground floor of No. 15 Matheson Street, Causeway Bay, Hong Kong, comprising shops A and B with a total saleable area of approximately 675 sq. ft. for HK\$236,800,000.
- (iii) As disclosed in the joint announcement of the Company and Easyknit International dated 18 June 2014, the Company raised approximately HK\$22.5 million by way of placing of new Shares under general mandate.
- (iv) As disclosed in the joint announcement of the Company and Easyknit International dated 22 August 2014, the Company raised approximately HK\$23.1 million by way of placing of new Shares under general mandate.
- (v) As disclosed in the announcement of the Company on 29 August 2014, the Company received notice from Goodco, requesting for the conversion of the convertible note in the principal amount of HK\$60.0 million.
- (vi) As disclosed in the joint announcement of the Company and Easyknit International dated 5 September 2014, the Company (a) acquired the site located at No. 14 and 16 Inverness Road, Kowloon Tong, Kowloon, Hong Kong from Easyknit International for a total consideration of HK\$340 million; and (b) raised approximately HK\$312.0 million by way of rights issue.

There has not been any interruption in the business of the Company which may have or have had a material adverse effect on the financial position of the Company since the date of the latest published audited financial statements for the year ended 31 March 2014.

**1.      PROFIT AND LOSS STATEMENT OF THE WL PROPERTY**

In accordance with Rule 14.69(4)(b)(i) of the Listing Rules, a profit and loss statement of the WL Property for the three financial years ended 31 March 2014 and for the six months period ended 30 September 2014 (“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 WL Property. 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 Vendor regarding the direct costs and other expenses for the preparation of the financial information of the WL Property for the Relevant Financial Years in strict compliance with the requirements of Rule 14.69(4)(b)(i) of the Listing Rules. The Company has therefore applied to the Stock Exchange for a waiver from strict compliance with Rule 14.69(4)(b)(i) of the Listing Rules, such that the following information be disclosed instead. The financial information of the WL Property 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 Vendor. Accordingly, it may not give a true picture of the performance of the WL Property during the Relevant Financial Years.

	<b>For the six months period ended 30 September</b>	<b>For the year ended 31 March</b>		
	<b>2014</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>
Rental income:				
Unit A	84,000	168,000	9,935	59,000
Unit B	48,000	96,000	61,214	79,200
	132,000	264,000	71,149	138,200
<b>Total</b>	<b>132,000</b>	<b>264,000</b>	<b>71,149</b>	<b>138,200</b>

*Notes:*

1. The rental income for the Relevant Financial Years is derived from the Tenancy Agreements.
2. Based on the Tenancy Agreements, gas, water, telephone and electricity charges were borne by the respective tenants of the WL Property. No management fees has to be paid. The rates and government rent paid on the WL Property were borne by the landlord which were estimated to approximately HK\$10,560, HK\$8,000 and HK\$13,440 for the financial year ended 31 March 2012, 2013 and 2014 respectively; and HK\$7,320 for the six months period ended 30 September 2014.
3. Based on the statutory tax rate of Hong Kong, the total property tax paid and payable in respect of the Tenancy Agreements is estimated to be approximately HK\$16,062, HK\$8,387 and HK\$30,942 for the financial year ended 31 March 2012, 2013 and 2014 respectively.

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## APPENDIX II      UNAUDITED FINANCIAL INFORMATION OF THE WL PROPERTY

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4. Save for the Tenancy Agreements and other publicly available information, the Directors do not have access to other financial information in relation to the WL Property. Due to the limited information available to them, the Directors, based on the terms of the Tenancy Agreements and the experience of the Company's management, estimated that the other monthly expenses such as maintenance cost or insurance cost of the WL Property which are payable by the landlord is minimal. Accordingly, no other expenses such as maintenance cost, insurance cost or finance cost were included in the above financial information.
5. Save for the information that the Company could not obtain from the Vendor, the financial information of the WL Property set out above is prepared using accounting policies which are materially consistent with those of the Company.
6. 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 Services 4400 "Engagements to Perform Agreed Upon Procedures Regarding Financial Information" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"), with respect to the Tenancy Agreements.

Deloitte:

- i. obtained the rental income summary and the rental income listing from the management of the Company and checked their arithmetical accuracy.
- ii. compared the total amounts of rental income for the three years ended 31 March 2014 and the six months period ended 30 September 2014 as shown in the rental income summary to the respective total rental amounts as stated in the rental income listing.
- iii. compared the particulars in the rental income listing to the tenancy agreements which were provided to Deloitte by the management of the Company.

Deloitte's findings are:

- a. With respect to item i, Deloitte found that the rental income summary and the rental income listing were arithmetically accurate.
- b. With respect to item ii, Deloitte found that the total amounts of rental income for the three years ended 31 March 2014 and the six months period ended 30 September 2014 as shown in the rental income summary were in agreement with the respective total rental amounts shown in the rental income listing.
- c. With respect to item iii, Deloitte found that the particulars as shown in the rental income listing were in agreement with those contained in the relevant tenancy agreements which were provided to Deloitte by the management of the Company.

Because the above procedures do not constitute an assurance engagement performed in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements, issued by the HKICPA, Deloitte does not express any assurance on the rental income summary or the rental income listing.

Had Deloitte performed additional procedures or had Deloitte performed an assurance engagement on the rental income summary or the rental income listing in accordance with Hong Kong Standards on Auditing or Hong Kong Standards on Review Engagements, Hong Kong Standards on Assurance Engagements issued by the HKICPA, other matters might have come to Deloitte's attention that would have been reported to the Company.

7. The directors of the Company are of the views that the omission of a profit and loss statement for the net income stream of the WL Property in the past would not render this circular materially incomplete and misleading or deceptive.

### VALUATION OF THE WL PROPERTY

No valuation of the WL Property at the end of the three years ended 31 March 2014 has been disclosed herein as the Directors were unable to obtain any valuation reports from the Vendor.

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF  
PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

The following is an illustrative and unaudited pro forma condensed consolidated statement of profit or loss and other comprehensive income 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 very substantial acquisition of the Property (the “**Very Substantial Acquisition**”) as if the Very Substantial Acquisition has taken place on 1 April 2014.

This unaudited pro forma condensed consolidated statement of profit or loss and other comprehensive income of the Group has been prepared for illustrative purposes only and, because of its hypothetical nature, it may not give a true picture for the results of the Group had the Very Substantial Acquisition for the six months ended 30 September 2014 or for any future period.

	<b>The Group for the six months ended 30 September 2014</b> <i>HK\$'000</i> (Unaudited) <i>Note 1</i>	<b>Pro forma adjustment</b> <i>HK\$'000</i>  <i>Note 2</i>	<b>Pro forma total for the Group</b> <i>HK\$'000</i> (Unaudited)
Turnover	128,455	—	128,455
Cost of goods sold and services rendered	<u>(107,186)</u>	<u>—</u>	<u>(107,186)</u>
Gross Profit	21,269	—	21,269
Other income	5,762	—	5,762
Other gains and losses	(64)	—	(64)
Other expenses	(161)	—	(161)
Distribution and selling expenses	(2,778)	—	(2,778)
Administrative expenses	(14,605)	(24)	(14,629)
Loss arising on changes in fair value of investment properties	(103,833)	—	(103,833)
Gain on fair value changes of investments held for trading	21,447	—	21,447
Gain on fair value change of financial assets designated as at fair value through profit or loss	648	—	648
Finance costs — interest on bank borrowings not wholly repayable within five years	<u>(2,870)</u>	<u>—</u>	<u>(2,870)</u>

**APPENDIX III****UNAUDITED PRO FORMA FINANCIAL  
INFORMATION OF THE GROUP**

	<b>The Group for the six months ended 30 September 2014</b> <i>HK\$ '000</i> (Unaudited) <i>Note 1</i>	<b>Pro forma adjustment</b> <i>HK\$ '000</i>  <i>Note 2</i>	<b>Pro forma total for the Group</b> <i>HK\$ '000</i> (Unaudited)
Loss before taxation	(75,185)	(24)	(75,209)
Taxation	<u>(899)</u>	<u>—</u>	<u>(899)</u>
Loss for the period attributable to the owners of the Company	<u>(76,084)</u>	<u>(24)</u>	<u>(76,108)</u>
Other comprehensive income: Items that may be subsequently reclassified to profit or loss:			
Change in fair value of available- for-sale investments	429	—	429
Exchange differences arising on translation of financial statements of foreign operations	<u>2,926</u>	<u>—</u>	<u>2,926</u>
Other comprehensive income for the period	<u>3,355</u>	<u>—</u>	<u>3,355</u>
Total comprehensive expense for the period attributable to the owners of the Company	<u><u>(72,729)</u></u>	<u><u>(24)</u></u>	<u><u>(72,753)</u></u>

*Notes:*

1. The figures are extracted from the condensed consolidated statement of profit or loss and other comprehensive income of the Group for the six months ended 30 September 2014, as set out in the corresponding published interim report of the Company.
2. The adjustment represents the government rent and rates payable on the properties held for development for sale for the six months ended 30 September 2014. The adjustment excludes government rent and rates borne by the Vendors pursuant to Ho Provisional Agreement, Cheong Provisional Agreement, WK Provisional Agreement and Ang Provisional Agreement. The Company will settle these expenses by cash.
3. No adjustment has been made to reflect any trading results or other transactions of the Group entered into subsequent to 30 September 2014.

## UNAUDITED PRO FORMA NET ASSETS STATEMENT

The following is an illustrative and unaudited pro forma net assets statement 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 very substantial acquisition of the Property (the “**Very Substantial Acquisition**”) as if the Very Substantial Acquisition has taken place on 30 September 2014.

This unaudited pro forma net assets statement 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 Very Substantial Acquisition been completed as at 30 September 2014 or at any future date.

	<b>The Group at 30 September 2014</b> <i>HK\$'000</i> (Unaudited) <i>Note 1</i>	<b>Pro forma adjustment</b> <i>HK\$'000</i>  <i>Note 2</i>	<b>Pro forma total for the Group</b> <i>HK\$'000</i> (Unaudited)
<b>Non-current assets</b>			
Property, plant and equipment	546	—	546
Investment properties	830,325	—	830,325
Loans receivable	11,500	—	11,500
Available-for-sale investments	16,568	—	16,568
Deposit paid for acquisition of subsidiaries	30,000	—	30,000
	888,939	—	888,939
<b>Current assets</b>			
Properties held for development for sale	—	225,098	225,098
Trade and other receivables	26,337	—	26,337
Bills receivable	1,668	—	1,668
Loans receivable	17,500	—	17,500
Investments held for trading	104,415	—	104,415
Financial assets designated as at fair value through profit or loss	29,270	—	29,270
Bank deposits with original maturity of more than three months	12,821	—	12,821
Bank balances and cash	295,327	(225,098)	70,229
	487,338	—	487,338

**APPENDIX III**
**UNAUDITED PRO FORMA FINANCIAL  
INFORMATION OF THE GROUP**

	<b>The Group at 30 September 2014</b> <i>HK\$'000</i> (Unaudited) <i>Note 1</i>	<b>Pro forma adjustment</b> <i>HK\$'000</i>  <i>Note 2</i>	<b>Pro forma total for the Group</b> <i>HK\$'000</i> (Unaudited)
<b>Current liabilities</b>			
Trade and other payables	39,468	—	39,468
Tax payable	6,909	—	6,909
Secured bank borrowings	7,086	—	7,086
	<u>53,463</u>	<u>—</u>	<u>53,463</u>
<b>Net current assets</b>	<u>433,875</u>	<u>—</u>	<u>433,875</u>
<b>Total assets less current liabilities</b>	<u>1,322,814</u>	<u>—</u>	<u>1,322,814</u>
<b>Non-current liabilities</b>			
Convertible note	10,617	—	10,617
Deferred tax liabilities	15,265	—	15,265
Secured bank borrowings	151,369	—	151,369
	<u>177,251</u>	<u>—</u>	<u>177,251</u>
	<u><u>1,145,563</u></u>	<u><u>—</u></u>	<u><u>1,145,563</u></u>
<b>Capital and reserves</b>			
Share capital	5,627	—	5,627
Reserves	1,139,936	—	1,139,936
	<u>1,145,563</u>	<u>—</u>	<u>1,145,563</u>

**Notes:**

- The figures are extracted from the condensed consolidated statement of financial position of the Group as at 30 September 2014, as set out in the corresponding published interim report of the Company.
- The adjustment represents (i) the Very Substantial Acquisition of properties by the Group for a consideration of HK\$169,500,000 with intention of property redevelopment with a view to sale; (ii) capitalisation of direct expenses relating to the Acquisition of approximately HK\$23,097,000 including non-refundable portion of Ad Valorem Stamp Duty of approximately HK\$7,077,000, commission fee of approximately HK\$15,120,000 and legal and professional fees of approximately HK\$900,000 and (iii) payment of Ad Valorem Stamp Duty and Buyer Stamp Duty of HK\$32,501,000 which the Group is eligible to claim for refund later upon fulfillment of certain conditions pursuant to the relief applicable to purchase of residential properties for approved redevelopment under the Stamp Duty Ordinance. The Group will settle the above consideration and direct expenses, including the stamp duties, by cash.
- No adjustment has been made to reflect any trading results or other transactions of the Group entered into subsequent to 30 September 2014.

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON THE  
COMPILATION OF PRO FORMA FINANCIAL INFORMATION**Deloitte.**  
**德勤**德勤·關黃陳方會計師行  
香港金鐘道88號  
太古廣場一座35樓Deloitte Touche Tohmatsu  
35/F One Pacific Place  
88 Queensway  
Hong Kong**TO THE DIRECTORS OF EASYKNIT ENTERPRISES HOLDINGS LIMITED**

We have completed our assurance engagement to report on the compilation of pro forma financial information of Easyknit Enterprises Holdings Limited (the “Company”) and its subsidiaries (hereinafter collectively referred to as the “Group”) by the directors of the Company (the “Directors”) for illustrative purposes only. The pro forma financial information consists of the pro forma net assets statement as at 30 September 2014 and the pro forma condensed consolidated statement of profit or loss and other comprehensive income for the six months ended 30 September 2014 and related notes as set out on pages III-1 to III-4 of the circular issued by the Company dated 19 December 2014 (the “Circular”). The applicable criteria on the basis of which the Directors have compiled the pro forma financial information are described on pages III-1 to III-4 of the Circular.

The pro forma financial information has been compiled by the Directors to illustrate the impact of the proposed very substantial acquisition of properties located at No. 18 and 20 Inverness Road, Kowloon Tong, Kowloon, Hong Kong for a consideration of HK\$169,500,000 (the “Very Substantial Acquisition”) on the Group’s financial position as at 30 September 2014 and the Group’s financial performance for six months ended 30 September 2014 as if the Very Substantial Acquisition had taken place on 30 September 2014 and 1 April 2014 respectively. As part of this process, information about the Group’s financial position and financial performance has been extracted by the Directors from the Group’s unaudited condensed consolidated financial statements for the six months ended 30 September 2014, on which no review report has been published.

**Directors’ Responsibilities for the Pro Forma Financial Information**

The Directors are responsible for compiling the pro forma financial information in accordance with paragraph 4.29 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” (“AG 7”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

**Reporting Accountant's Responsibilities**

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the pro forma financial information 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 pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 "Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus" issued by the HKICPA. This standard requires that the reporting accountant comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the pro forma financial information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma financial information.

The purpose of pro forma financial information included in an investment circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the Very Substantial Acquisition at 30 September 2014 or 1 April 2014 would have been as presented.

A reasonable assurance engagement to report on whether the pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountant's judgment, having regard to the reporting accountant's understanding of the nature of the Group, the event or transaction in respect of which the pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Opinion**

In our opinion:

- (a) the pro forma financial information has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the pro forma financial information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

**Deloitte Touche Tohmatsu**  
Certified Public Accountants  
Hong Kong

19 December 2014

*The following is the text of a letter and valuation certificates prepared for the purpose of incorporation in this circular received from Vigers Appraisal And Consulting Limited, an independent valuer, in connection with their valuation of the Properties as at 28 October 2014.*

**Vigers Appraisal And Consulting Limited**

*International Asset Appraisal Consultants*

10th Floor, The Grande Building

398 Kwun Tong Road

Kowloon

Hong Kong



19 December 2014

The Directors

Land Bloom Holdings Limited

Block A, 7/F.,

Hong Kong Spinners Building, Phase 6

481-483 Castle Peak Road

Cheung Sha Wan

Kowloon

Hong Kong

Dear Sirs,

**Re: Nos. 18 and 20 Inverness Road, Kowloon Tong, Kowloon, Hong Kong (the “Properties”)**

In accordance with the instructions of Land Bloom Holdings Limited (the “Company”) for us to value the Properties, we confirm that we have inspected the Properties, 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 value of the Properties as at 28 October 2014 (“the Valuation Date”).

Our valuation is our opinion of market value of the Properties which is defined as intended to mean “the estimated amount for which an asset or liability should exchange on the date of valuation between a willing buyer and a willing selling 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 (2012 Edition)” 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 Properties were sold in the market in its 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 value of the Properties. In addition, no account has been taken of any option or right of pre-emption concerning or affecting the sale of the Properties.

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

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.

The Properties were inspected externally on 28 October 2014 by Gilbert K. M. Yuen *MHKIS MRICS RPS(GP)* of Vigers Appraisal And Consulting Limited. However, no investigations have been carried out to determine the suitability of the subsoil condition of the land on which the Properties stand for the redevelopment and we assumed that these aspects are satisfactory. Our valuation does not make allowance for contamination or pollution of the land, if any, which may have occurred as a result of past usage. No test has been made to any of the services.

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, tenure, site 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 Properties are free from any encumbrances, restrictions and outgoings of an onerous nature which could serve to affect the value of the Properties.

We enclose herewith our valuation certificate.

Yours faithfully,  
For and on behalf of  
**VIGERS APPRAISAL AND CONSULTING LIMITED**  
**Gilbert K. M. Yuen**  
MHKIS MRICS 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

## Properties to be acquired by the Company for future development in Hong Kong

Properties	Description and Tenure	Particulars of Occupancy	Capital value in Existing state as at 28 October 2014
Nos. 18 and 20 Inverness Road; Kowloon Tong, Kowloon	The Properties comprise two contiguous lots with a total registered site area of 7060 sq.ft. (655.89 sq.m.) or thereabouts.	According to the information provided by the Company, the 2nd Floor, No. 18 Inverness Road is leased, which is summarized in Note 9 below. The properties would be licensed to the previous owners after completion of sales. Vacant possession of the properties could be obtained by June 2015.	HK\$240,000,000
Section A of Sub-section 1 of Section B of New Kowloon Inland Lot No. 1587 and Section B of Sub-section 1 of Section B of New Kowloon Inland Lot No. 1587	No. 18 and No. 20 Inverness Road currently consist of two connected domestic tenement buildings, each of which is of 3 storeys over a basement. The buildings were completed in 1955.  The salable floor area of the units of the existing buildings are as follows:		
	<b>No. 18 Inverness Road</b>		
	<b>Floor</b>	<b>sq.m.</b>	<b>sq.ft.</b>
	Basement	100.24	1,079
	Ground	108.97	1,173
	1st	108.97	1,173
	2nd	108.97	1,173
	<b>No. 20 Inverness Road</b>		
	<b>Floor</b>	<b>sq.m.</b>	<b>sq.ft.</b>
	Basement & Ground	209.21	2,252
	1st	108.97	1,173
	2nd	108.97	1,173
	The Properties are held under a Government Lease for a term expired on 30 June 1997 and has been extended to 30 June 2047 by New Territories Leases (Extension) Ordinance.		
	The government rent is equivalent to 3% of the rateable value for the time being of the Properties.		

*Notes:*

1. The registered owners of the Properties are as the followings:
 

Basement, No. 18 Inverness Road	-	Ho Hon Chung Ivan and Chung Susan Anna (Joint Tenants)
Ground Floor, No. 18 Inverness Road	-	Cheong Siu Mui
1st Floor, No. 18 Inverness Road	-	Wong Kwok Him and Wong Kin May (Joint Tenants)
2nd Floor, No. 18 Inverness Road	-	Wong Lai Kam
No. 20 Inverness Road	-	Ang Giok Hian
2. Basement, No. 18 Inverness Road is subject to a Mortgage in favour of Bank of Communications Co., Ltd. vide Memorial No. 10010801450128 dated 31 December 2009.
3. 2nd Floor, No. 18 Inverness Road is subject to a Legal Charge and Assignment of Rental in favour of Fubon Bank (Hong Kong) Limited vide Memorial Nos. 09090301070148 and 09090301070157 respectively both dated 17 August 2009.
4. The Government Lease of New Kowloon Inland Lot No. 1587 contains inter alia the following restrictions on the development of the lot:
 

“And will not except with the consent of the Governor in Council previously obtained erect or cause or permit to be erected upon the said piece or parcel of ground (hereinafter referred to as “the said ground”) more than six houses And will not erect or cause or permit to be erected upon the said ground any buildings other than detached or semi-detached houses of European type And will submit the design of the exterior elevations plans and disposition of any building erected or intended to be erected on the said ground for the special approval of His said Majesty’s Director of Public Works (hereinafter referred to as “the said Director”) and will obtain the said Director’s approval thereof And will not make any alternation or addition to any buildings after plans thereof have been approved by the said Director previously obtained erect or cause or permit to be erected any building exceeding a height of thirty five feet”
5. The Properties are zoned “Residential (Group C) 9 on the Kowloon Tong Outline Zoning Plan No. S/K18/18 dated 20 December 2013.
 

According to the explanatory note attached to the Outline Zoning Plan, on the land designated “Residential (Group) C) 9”, 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 3.0 and the maximum number of storeys of 8 or the plot ratio and height of the existing building, whichever is the greater. On land designated for “Residential (Group C) 9”, in determining the relevant maximum number of storeys, any basement floor(s) may be disregarded. ,
6. No architectural plans have been approved and no planning consent has been obtained in respect of the redevelopment of the Properties as at the date of valuation.
7. There are no conditions stipulated in the Government Lease of the Properties as to the construction of roadways, pathway, drainage, sewage and other facilities or services for public uses.
8. In assessing the market value of the Properties, 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. The leasing status of 2nd Floor, No. 18 Inverness Road is as follows:

<b>Flat</b>	<b>Lease Term</b>	<b>Monthly rent</b>
Flat A on 2nd Floor, No. 18 Inverness Road	10 March 2013 to 9 March 2015	HK\$14,000 inclusive of rates, Government rent and garbage collection fee
Flat B on 2nd Floor, No. 18 Inverness Road	16 February 2013 to 15 February 2014	HK\$8,000 inclusive of rates, Government rent and garbage collection fee

## 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 or this circular misleading.

## 2. DISCLOSURE OF INTERESTS

### (a) Directors' interest in Shares, underlying Shares and debentures

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:

Name of Director	Capacity	Number of Shares held (long position)	Number of underlying Shares held	Total	Approximate percentage of interest
Ms. Lui Yuk Chu	Beneficiary of a trust (note i)	207,406,233	8,006,405	215,412,638	42.53%
Ms. Koon Ho Yan Candy	Beneficiary of a trust (note ii)	207,406,233	8,006,405	215,412,638	42.53%

Notes:

- (i) These Shares are respectively registered in the name of and are beneficially owned by Landmark Profits Limited (“**Landmark Profits**”) and Goodco, both are wholly-owned subsidiaries of Easyknit International. Sea Rejoice Limited is interested in approximately 21.95% of the issued share capital of Easyknit International and it is wholly-owned by Ms. Lui Yuk Chu. Magical Profits Limited (“**Magical Profits**”) is interested in approximately 36.74% of the issued share capital of Easyknit International. Magical Profits is wholly-owned by Accumulate More Profits Limited which in turn is wholly-owned by The Winterbotham Trust Company Limited (“**Winterbotham Trust**”) as the new trustee of The Magical 2000 Trust (the beneficiaries of which include Ms. Lui Yuk Chu and her family members other than her spouse) since 3 June 2014.

- (ii) Ms. Koon Ho Yan Candy, the daughter of Ms. Lui Yuk Chu and a Director, is deemed to be interested in the Shares by virtue of her capacity as one of the beneficiaries of The Magical 2000 Trust.

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.

**(b) Substantial Shareholders' interest in Shares and underlying Shares**

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 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 Shareholder	Note	Capacity	Number of Shares held (long position)	Number of underlying Shares held	Total	Approximate percentage of interest
Koon Wing Yee	<i>i</i>	Interest of spouse	207,406,233	8,006,405	215,412,638	42.53%
Landmark Profits	<i>i &amp; ii</i>	Beneficial owner	42,426,090	—	42,426,090	8.38%
Goodco	<i>i &amp; ii</i>	Beneficial owner	164,980,143	8,006,405	172,986,548	34.16%
Easyknit International	<i>i &amp; ii</i>	Interest of controlled corporation	207,406,233	8,006,405	215,412,638	42.53%
Magical Profits	<i>i &amp; iii</i>	Interest of controlled corporation	207,406,233	8,006,405	215,412,638	42.53%

Name of Shareholder	Note	Capacity	Number of Shares held (long position)	Number of underlying Shares held	Total	Approximate percentage of interest
Accumulate More Profits Limited	<i>i</i>	Interest of controlled corporation	207,406,233	8,006,405	215,412,638	42.53%
Winterbotham Trust	<i>i &amp; iv</i>	Trustee	207,406,233	8,006,405	215,412,638	42.53%
Winterbotham Holdings Limited	<i>iv</i>	Interest of controlled corporation	207,406,233	8,006,405	215,412,638	42.53%
Markson International Holdings Limited	<i>iv</i>	Interest of controlled corporation	207,406,233	8,006,405	215,412,638	42.53%
Christopher Geoffrey Douglas Hooper	<i>iv</i>	Interest of controlled corporation	207,406,233	8,006,405	215,412,638	42.53%
Ivan Geoffery Douglas Hooper	<i>iv</i>	Interest of controlled corporation	207,406,233	8,006,405	215,412,638	42.53%

## Notes:

- (i) In the 207,406,233 Shares, 42,426,090 Shares and 164,980,143 Shares are registered in the name of and beneficially owned by Landmark Profits and Goodco respectively, both are the wholly-owned subsidiaries of Easyknit International. Goodco is also interested in 8,006,405 underlying Shares (subject to adjustment) to be issued upon the full conversion of the convertible note. Sea Rejoice Limited is interested in approximately 21.95% of the issued share capital of Easyknit International and it is wholly-owned by Ms. Lui Yuk Chu, a Director. Magical Profits is interested in approximately 36.74% of the issued share capital of Easyknit International. Magical Profits is wholly-owned by Accumulate More Profits Limited which in turn is wholly-owned by Winterbotham Trust as the new trustee of The Magical 2000 Trust (the beneficiaries of which include Ms. Lui Yuk Chu and her family members other than her spouse) since 3 June 2014. Ms. Koon Ho Yan Candy, the daughter of Ms. Lui Yuk Chu and a Director, is deemed to be interested in the 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 207,406,233 Shares and 8,006,405 underlying Shares by virtue of the SFO.
- (ii) Mr. Kwong Jimmy Cheung Tim and Ms. Lui Yuk Chu, being Directors, are also directors of Landmark Profits, Goodco and Easyknit International. Ms. Koon Ho Yan Candy, being a Director, is also a Director of Easyknit International.
- (iii) Ms. Lui Yuk Chu, being a Director, is also a director of Sea Rejoice Limited and Magical Profits.

- (iv) With effect from 3 June 2014, Winterbotham Trust became the new trustee of The Magical 2000 Trust (the beneficiaries of which include Ms. Lui Yuk Chu and her family members other than her spouse). Winterbotham Trust is owned as to 75% by Winterbotham Holdings Limited (“Winterbotham Holdings”) and 25% by Markson International Holdings Limited (“Markson”) respectively. Winterbotham Holdings is owned as to approximately 99.99% by Mr. Christopher Geoffrey Douglas Hooper. And Markson is owned as to 60% by Mr. Christopher Geoffrey Douglas Hooper and 40% by Mr. Ivan Geoffrey Douglas Hooper respectively.

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 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.

### 3. 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).

### 4. MATERIAL CONTRACTS

The following contracts, not being contracts in the ordinary course of business carried on as intended to be carried on by 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 placing agreement dated 28 January 2013 entered into between the Company and Kingston Securities Limited, as the placing agent, to place 68,656,000 new shares of the Company at a placing price of HK\$0.44 per share;
- (b) the underwriting agreement dated 5 April 2013 entered into between the Company and Kingston Securities Limited, as the underwriter, in relation to the underwriting and certain other arrangements in respect of a rights issue of 1,235,824,500 rights shares at the subscription price of HK\$0.10 per rights share;
- (c) the placing agreement dated 11 September 2013 entered into between the Company and Kingston Securities Limited, as the placing agent, to place 329,540,000 new shares of the Company at a placing price of HK\$0.063 per share;

- (d) the underwriting agreement dated 3 October 2013 entered into between the Company and Kingston Securities Limited, as the underwriter, in relation to the underwriting and certain other arrangements in respect of a rights issue of 247,163,250 rights shares at the subscription price of HK\$0.60 per rights share;
- (e) the subscription agreement dated 16 January 2014 entered into between the Company and Goodco, the substantial shareholder of the Company and a wholly-owned subsidiary of Easyknit International as the subscriber, agreed to subscribe a convertible note issued by the Company in the aggregate principal amount of HK\$100,000,000 which may be converted into 147,058,823 shares at the initial conversion price of HK\$0.68 per share (subject to adjustment);
- (f) the placing agreement dated 6 June 2014 entered into between the Company and Kingston Securities Limited, as the placing agent, to place 65,200,000 new shares of the Company at a placing price of HK\$0.35 per share;
- (g) the placing agreement dated 11 August 2014 entered into between the Company and Get Nice Securities Limited, as the placing agent, to place 78,000,000 new shares of the Company at a placing price of HK\$0.30 per share; and
- (h) the underwriting agreement dated 5 September 2014 entered into between the Company and Get Nice Securities Limited, as the underwriter, in relation to the underwriting and certain other arrangements in respect of a rights issue of 450,132,472 rights shares at the subscription price of HK\$0.70 per right share.

#### **5. DIRECTORS' INTEREST IN CONTRACTS AND ASSETS**

As at the Latest Practicable Date, there was no contract or arrangement subsisting in which any Director was materially interested and which was significant in relation to the business of the Group.

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which have been, since 31 March 2014 (being the date to which the latest published audited accounts of the Group were made up), (i) acquired or disposed of by; or (ii) leased to; or (iii) proposed to be acquired or disposed of by; or (iv) proposed to be leased to, any member of the Group.

#### **6. DIRECTORS' INTEREST IN COMPETING BUSINESS**

As at the Latest Practicable Date, none of the Directors or their respective associates was interested in any business which competes or is likely to compete, either directly or indirectly, with the business of the Group as required to be disclosed pursuant to the Listing Rules.

**7. LITIGATION**

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries have been 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.

**8. 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 And Consulting Limited	Independent Professional Valuer
Deloitte Touche Tohmatsu	Certified Public Accountants

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

- (a) any direct or indirect interest in any assets which have been, since 31 March 2014 (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.

The above experts have given and have not withdrawn their written consents to the issue of this circular with the inclusion of their letters and the references to their names in the form and context in which they appear.

**9. GENERAL**

- (a) The company secretary of the Company is Mr. Lee Po Wing, a practising solicitor since 1994 with extensive experience in 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 Block 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 Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong; and
- (d) The English text of this circular prevails over the Chinese text.

#### **10. 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 Block 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 annual reports of the Company containing audited consolidated financial statements of the Company for the three years ended 31 March 2012, 2013 and 2014;
- (c) the 2014 interim report of the Company for the six months ended 30 September 2014;
- (d) the unaudited financial information of the WL Property for the three years ended 31 March 2012, 2013 and 2014 and for the six months ended 30 September 2014 as set out in Appendix II to this circular;
- (e) the letter from Deloitte Touche Tohmatsu in respect of the unaudited pro forma financial information of the Group upon completion of the Acquisition as set out in Appendix III to this circular;
- (f) the valuation report prepared by Vigers Appraisal And Consulting Limited, the text of which is set out in Appendix IV to this circular;
- (g) the letters of consent referred to in the paragraph headed "Experts and consents" in this appendix;
- (h) the material contracts referred to the paragraph headed "Material contracts" in this appendix;
- (i) a copy of each circular issued pursuant to the requirement set out in Chapter 14 and/or 14A of the Listing Rules which has been issued since the date of the latest published audited accounts;
- (j) the Provisional Agreements; and
- (k) this circular.

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## NOTICE OF SPECIAL GENERAL MEETING

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**EASYKNIT ENTERPRISES HOLDINGS LIMITED**  
**永義實業集團有限公司\***  
*(incorporated in Bermuda with limited liability)*  
**(Stock Code: 0616)**

### NOTICE OF SPECIAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that a special general meeting (the “Meeting”) of Easyknit Enterprises Holdings Limited (永義實業集團有限公司) (the “Company”) will be held at Block A, 7th Floor, Hong Kong Spinners Building, Phase 6, 481-483 Castle Peak Road, Cheung Sha Wan, Kowloon, Hong Kong, on Monday, 12 January 2015, at 9:10 a.m. for the purpose of considering and, if thought fit, passing the following resolution, with or without amendments, as an ordinary resolution of the Company:

#### ORDINARY RESOLUTION

“**THAT:**

- (a) the transaction contemplated under the Provisional Agreements (as defined and detailed in the circular of the Company dated 19 December 2014, a copy of which is marked “A” and signed by the chairman of the Meeting for identification purpose has been tabled at the Meeting) for the acquisition of all properties situated at basement, ground floor, 1st floor and 2nd floor of No. 18 and 20 Inverness Road, Kowloon Tong, Kowloon, Hong Kong at an aggregate consideration and other related expenses of HK\$169,500,000 be and is hereby approved, ratified and confirmed; and
- (b) the directors of the Company be and are authorised to do all such acts and things, to sign and execute such documents or agreements or deeds on behalf of the Company and to do such other things and take all such actions as they consider necessary, appropriate, desirable or expedient for the purposes of giving effect to or in connection with the Provisional Agreements and to agree to such variation, amendments or waiver of matters relating thereto as are, in the opinion of the directors of the Company, in the interests of the Company and its shareholders as a whole.”

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

Hong Kong, 19 December 2014

\* *for identification only*

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## NOTICE OF SPECIAL GENERAL MEETING

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*Registered office:*

Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

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

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

*Notes:*

1. A form of proxy for use at the Meeting is enclosed herewith.
2. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of any officer or attorney duly authorised.
3. Any shareholder of the Company entitled to attend and vote at the Meeting convened by the above notice shall be entitled to appoint another person as his proxy to attend and vote instead of him. A proxy need not be a shareholder of the Company.
4. In order to be valid, the form of proxy, together with the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power of attorney or authority, must be deposited at the Company's branch share registrar in Hong Kong, Tricor Secretaries Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for holding of the above Meeting.
5. Completion and return of the form of proxy will not preclude a shareholder of the Company from attending and voting in person at the Meeting convened and in such event, the form of proxy will be deemed to be revoked.
6. Where there are joint holders of any share of the Company, any one of such joint holders may vote, either in person or by proxy, in respect of such share as if he/she were solely entitled thereto, but if more than one of such joint holders are present at the Meeting, whether in person or by proxy, the most senior shall alone be entitled to vote. For this purpose, seniority shall be determined by the order in which the names stand on the register of members of the Company in respect of the joint holding.