



**永義實業集團有限公司**  
**Easyknit Enterprises Holdings Limited**  
(incorporated in Bermuda with limited liability)

PRESS RELEASE

**EASYKNIT INTERNATIONAL ANNOUNCES  
ACQUIRING 90% OF PROPERTIES IN A BUILDING ON VICTORY  
AVENUE KOWLOON  
FOR RE-DEVELOPMENT  
THROUGH ACQUIRING 100% STAKE IN AN INVESTMENT  
COMPANY**

(Hong Kong, 8 June 2006) – **Easyknit International Holdings Limited** (“Easyknit International”/the “Company”) (Stock Code: 1218) today announces that its wholly owned subsidiary Easyknit Properties Holdings Limited (“Easyknit Properties”) proposes to acquire 100% interest in an investment company Happy Light Investment Limited (“Happy Light”) in order to acquire 90% interest in the properties which consist of 18 out of 20 units in a building on Victory Avenue, Kowloon for re-development purpose. The Group intends to acquire the remaining 2 units in the building and it is estimated that the total consideration for acquiring the whole building is HK\$170 million.

Happy Light has entered into formal agreements to acquire a total of 18 units in a building situated at 1-3A Victory Avenue, Kowloon on 18 May and 22 May 2006 for a consideration of HK\$95.6 million with HK\$9.57 million deposit paid. Upon the completion of acquiring Happy Light for a consideration of HK\$53.68 million, the Company will be responsible for paying the balance of the consideration of HK\$86.03 million on 22 July 2006.

The Company intends to acquire the remaining units of the building so as to have the ownership over the whole building for re-development under Land (Compulsory Sale for Redevelopment) Ordinance (Cap.545 the Laws of Hong Kong). Based on the valuation by independent valuers, the current market value of the 100% interest of the building on the basis of redevelopment with vacant possession is HK\$210 million as at 1 June 2006.

The spokesperson of Easyknit International said, “Having considered that the building is located at the prime commercial and residential location, we are optimistic towards the redevelopment potential of the building and believe that the re-development project will bring about substantial returns to the Company.”

The consideration of acquiring Happy Light is payable by the Company in the following ways: a deposit of HK\$5,000,000 payable upon signing of the acquisition agreement; a sum of HK\$35,000,000 payable upon completion of the formal agreements and the acquisition agreement; and HK\$13,680,000 payable in accordance with the terms agreed upon.

Pursuant to the acquisition agreement, Easyknit Properties was granted the option to put Happy Light back to the vendor and require the vendor to purchase from Easyknit Properties, all but not part only of the sale shares and the Loan if completion of any of the formal agreements does not take place on 22 July 2006.



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**About Easyknit International Holdings Limited (Stock Code: 1218)**

Easyknit International Holdings Limited is principally engaged in the sourcing and export of cotton-based knitted garments for infants, children and women, and property investment.

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