



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

PRESS RELEASE

**Easyknit International (SEHK: 1218) Announced
the Acquisition of Kingbest Capital Holdings Limited at HK\$2.44 Million
Planning for Redevelopment of Prince Edward Road West Properties**

(Hong Kong, 17 July, 2009) – **Easyknit International Holdings Limited** (SEHK Code: 1218) (“Easyknit International”/ “The Group”) announced Easyknit Properties, a wholly owned subsidiary of the Group, has entered into an agreement with the Seller, to acquire the entire issued share capital of Kingbest Capital Holdings Limited (“Kingbest”) at a total consideration of HK\$2.44 million (“Acquisition”), plus to advance a loan to Kingbest up to an aggregate amount not exceeding HK\$7.41 million (“Loan”), to enable the Group to acquire all units in the building situated on Nos. 311B & 311D Prince Edward Road West, Kowloon, Hong Kong (“Building”).

During the period between 14 May 2009 and 6 July 2009, Kingbest entered into six sale and purchase agreements with six different Property Vendors for the acquisition of a total of six units in the Building. The completion of all the Property Purchase Agreements is expected to be on or before 20 October 2009. The total consideration for the acquisition of the units located at the Front Portion (No. 311B Prince Edward Road West) and the Rear Portion (No. 311D Prince Edward Road West) of the Building (“Properties”) under the Property Purchase Agreements is HK\$63.85 million.

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\$70 million as at 30 June 2009.

Kingbest has paid a total of HK\$1.2 million as deposits under the Property Purchase Agreements (representing approximately 1.88% of the total consideration under all of the Property Purchase Agreements) to the Property Vendors. Further deposits in the aggregate amount of HK\$7.41 million will be paid by Kingbest under the Property Purchase Agreements. Upon completion of the Property Purchase Agreements, Kingbest will have to pay the balance of the consideration in the sum of HK\$55.24 million to the Property Vendors. If the Agreement completes on the Completion Date, Kingbest will then become a wholly-owned subsidiary of the Group. Hence, the Group will be responsible for paying the balance of the purchase price for the Properties to the Property Vendors upon completion of the Property Purchase Agreements, through Kingbest. The Loan is to be used exclusively in and towards payment of the deposits in respect of the Property Agreements, which at the date of the Agreement is estimated to be approximately HK\$7.41 million, to avoid any default on the part of Kingbest under the Property Purchase Agreements.



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Mr. Kwong Jimmy Cheung Tim, President and Chief Executive Officer of the Group said, “The Building is adjacent to the building situated on Nos. 313, 313A, 313B & 313C Prince Edward Road West, Kowloon, Hong Kong, which the Group agreed to acquire from the Seller pursuant to an agreement of 24 June 2008. That building will be wholly-owned by the Group on completion of certain formalities relating to the grant of probate in respect of the estate of a deceased owner of part of the property and the directors intend that both will be redeveloped together. The Acquisition will enable the Group to expand its property portfolio, and provide the Group with further potential income from property development.”

Dealings in the Shares on the Stock Exchange were suspended with effect from 09:30 am on 15 July 2009. Resumption of dealings in the Shares will be effective from 09:30 am on 20 July 2009.

About Easyknit International Holdings Limited (Stock Code: 1218)

Easyknit International Holdings Limited together with its subsidiaries are principally engaged in the business of garment sourcing and export, property investments and development, investment in securities and loan financing.

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