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Easyknit International Holdings Limited

永義國際集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock code: 1218)

DISCLOSEABLE TRANSACTION

On 30 June 2009, Trump Elegant and the Seller entered into a sale and purchase agreement in relation to the Acquisition.

The Acquisition standing alone constitutes a discloseable transaction under Rule 14.06(2) of the Listing Rules as the applicable percentage ratios of the Acquisition exceed 5% but are less than 25%. The Acquisition is therefore subject to the reporting and announcement requirements under the Listing Rules. The Acquisition when aggregated with the acquisition of the Prince Edward Properties (details of which were set out in the Company's announcement dated 27 June 2008) still remains as a major transaction under the Listing Rules. Since the Company has complied with the major transaction requirements in respect of the completed transaction as set out in the Company's announcement dated 27 June 2008, the Company is not required to reclassify the Acquisition by aggregating it with the completed transaction.

PURCHASE OF THE REMAINING PRINCE EDWARD ROAD UNIT

Reference is made to the announcement made by the Company dated 27 June 2008. Trump Elegant acquired the Prince Edward Properties, which comprises 11 out of the 12 units in the Prince Edward Building and represents over 90% of the undivided shares of the Prince Edward Building.

Pursuant to the Land (Compulsory Sale for Redevelopment) Ordinance, the owners of 90% or more of the undivided shares of a building may make an application for the compulsory sale of the remaining shares in that building for re-development purposes. Trump Elegant applied to the Lands Tribunal on 13 October 2008, amongst other things, for an order to sell all the undivided shares in the Prince Edward

Building for the purposes of redevelopment pursuant to the Land (Compulsory Sale for Redevelopment) Ordinance. The proceedings were set down for trial before the Lands Tribunal during 22 June 2009 to 26 June 2009. On 22 June 2009, the Lands Tribunal ordered by consent, amongst other things, that all further proceedings in the action be stayed and that Trump Elegant and the Seller were to enter into a sale and purchase agreement in respect of the sale and purchase of the Remaining Prince Edward Road Unit at a consideration of HK\$9,500,000 which should be executed no later than 7 working days after the date of the order which was 22 June 2009.

Accordingly, on 30 June 2009, Trump Elegant and the Seller entered into a sale and purchase agreement in relation to the Acquisition. A summary of the principal terms of the Sale and Purchase Agreement is set out in this announcement.

Date of the Sale and Purchase Agreement

30 June 2009

Parties

- (1) Trump Elegant, as the purchaser
- (2) Seller, as the seller

The Remaining Prince Edward Road Unit is registered in the name of Yip Keung (now deceased). The Seller is the sole executor and beneficiary of Yip Keung.

To the best of the Directors' knowledge, information and belief, and after having made all reasonable enquiries, the Seller is an Independent Third Party.

Assets

The Group has agreed to acquire the Remaining Prince Edward Road Unit.

Based on the valuation report by an independent valuer, the market value of the Remaining Prince Edward Road Unit on redevelopment basis with vacant possession as at 5 June 2009 was approximately HK\$8,400,000.

Under the Sale and Purchase Agreement, the Remaining Prince Edward Road Unit is sold to Trump Elegant with vacant possession upon Completion.

Consideration

The consideration for the Remaining Prince Edward Road Unit is HK\$9,500,000. A deposit equal to HK\$950,000 was paid as deposit and in part payment of the purchase price to the Seller's solicitors as stakeholders on the date of signing of the Sale and Purchase Agreement. The balance of the purchase price in the sum of HK\$8,550,000 shall be paid by Trump Elegant to the Seller in cash on the Completion Date.

The consideration of HK\$9,500,000 was determined after arm's length negotiations between Trump Elegant and the Seller after taking into consideration the fair value of the Remaining Prince Edward Road Unit.

Source of Funding

The Group will fund the Acquisition from its internal resources.

Completion

Completion is to take place on a day to be agreed by the Seller and Trump Elegant not later than 30 days after the grant of probate of the will of Yip Keung by the Probate Registry of High Court and, in any event, not later than 5 months from 22 June 2009.

Default by Trump Elegant

Pursuant to the Sale and Purchase Agreement, if Trump Elegant fails to complete the Acquisition in accordance with the terms and conditions of the Sale and Purchase Agreement (other than as a result of the default of the Seller), all deposit money paid shall be forfeited to the Seller who may (without being obliged to tendering an assignment to Trump Elegant) rescind the sale and the Sale and Purchase Agreement and either retain the Remaining Prince Edward Road Unit or any part or parts thereof or resell the same. Any deficiency arising from such resale and all reasonable expenses attending the same shall be made good and paid by Trump Elegant as and for liquidated damages, and any increase in price realised by any such resale shall belong to the Seller.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Acquisition allows the Company to be the owner of the whole Prince Edward Building, which it at present contemplates redeveloping if and when the Directors consider the market sentiment to be appropriate. The Acquisition will enable the Group to expand its property investment portfolio and provide the Group with further potential income from property investment and development.

The Directors are of the view that the terms of the Sale and Purchase Agreement are fair and reasonable and in the interest of the Shareholders as a whole.

INFORMATION ON THE COMPANY AND TRUMP ELEGANT

The Group is principally engaged in the business of garment sourcing and export, property investments and development, investment in securities and loan financing.

Trump Elegant is a wholly-owned subsidiary of the Company and is principally engaged in the business of property development.

LISTING RULES IMPLICATIONS

The Acquisition standing alone constitutes a discloseable transaction under Rule 14.06(2) of the Listing Rules as the applicable percentage ratios of the Acquisition exceed 5% but are less than 25%. The Acquisition is therefore subject to the reporting and announcement requirements under the Listing Rules. The Acquisition when aggregated with the acquisition of the Prince Edward Properties (details of which are set out in the Company's announcement dated 27 June 2008) still remains as a major transaction under the Listing Rules. Since the Company has complied with the major transaction requirements in respect of the completed transaction as set out in the Company's announcement dated 27 June 2008, the Company is not required to reclassify the Acquisition by aggregating it with the completed transaction.

GENERAL

As at the date of this announcement, Mr. Kwong Jimmy Cheung Tim and Ms. Lui Yuk Chu are executive Directors; Mr. Tse Wing Chiu, Ricky is the non-executive Directors; and Mr. Tsui Chun Kong, Mr. Jong Koon Sang and Mr. Hon Tam Chun are independent non-executive Directors.

DEFINITIONS

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

“Acquisition”	the acquisition of the Remaining Prince Edward Road Unit
“Board”	the board of Directors
“Company”	Easyknit International Holdings Limited (永義國際集團有限公司*), a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange
“Completion”	completion of the Sale and Purchase Agreement pursuant to the terms thereof
“Completion Date”	the date fixed for Completion pursuant to the Sale and Purchase Agreement
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party”	a third party independent of the Company and of connected persons (as defined in the Listing Rules) of the Company
“Lands Tribunal”	the Lands Tribunal of Hong Kong
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“percentage ratios”	the meaning ascribed thereto in Chapter 14 of the Listing Rules
“PRC”	the People’s Republic of China

“Prince Edward Properties”	collectively Flats 1, 2 and 4 on the Ground Floor, Flats 1, 2, 3 and 4 on the First Floor, and Flats 1, 2, 3 and 4 on the Second Floor of the Prince Edward Building
“Prince Edward Building”	the building situated on Section B of Kowloon Lot No. 1685 (Nos. 313, 313A, 313B and 313C Prince Edward Road West, Kowloon, Hong Kong)
“Remaining Prince Edward Road Unit”	Flat 3 on the Ground Floor of the Prince Edward Building
“Sale and Purchase Agreement”	a sale and purchase agreement dated 30 June 2009 in relation to the Acquisition
“Seller”	Ip Wai Hung, the executor of the will of Yip Keung (the deceased), an individual whom to the best of the Directors’ knowledge, information and belief, and after having made all reasonable enquiries is an Independent Third Party
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Trump Elegant”	Trump Elegant Investment Limited, a company incorporated under the laws of Hong Kong and a wholly-owned subsidiary of the Company

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

Hong Kong, 3 July 2009

* *for identification purposes only*