

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



EASYKNIT INTERNATIONAL HOLDINGS LIMITED

永義國際集團有限公司*

(incorporated in Bermuda with limited liability)

(Stock Code: 1218)

The Directors maintain their recommendation for the Shareholders to vote in favour of the resolutions regarding the Share Purchase and the making of the Possible Offer.

Reference is made to the joint announcement of the Company and Easyknit Enterprises Holdings Limited dated 12 September 2011 and the circular of Company dated 30 September 2011 in relation to a proposed purchase of and possible general offer for shares in Easyknit Enterprises Holdings Limited by Goodco Development Limited, a wholly-owned subsidiary of the Company (“**Circular**”). Terms defined in the Circular have the same meanings when used in this announcement unless otherwise stated.

The Company notes that Easyknit Enterprises has made an announcement on 13 October 2011 in relation to its results for the six months ended 30 September 2011 (“**EE Announcement**”). The Directors wishes to announce that as the principal reason for the Share Purchase and the Possible Offer is for the Company to increase its degree of control over Easyknit Enterprises and based on the EE Announcement, the estimated reduction in the net asset value of the EE Group is not expected to be significant, the Directors consider that the anticipated changes in fair value of listed securities investment of Easyknit Enterprises (which is a non-cash item) as described in the EE Announcement do not change their view on the transactions as disclosed in the Circular and maintain their recommendation for the Shareholders to vote in favour of the resolutions regarding the Share Purchase and the making of the Possible Offer.

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

Hong Kong, 14 October 2011

As at the date hereof, the Board comprises Mr. Kwong Jimmy Cheung Tim, Ms. Lui Yuk Chu and Ms. Koon Ho Yan, Candy as executive directors, Mr. Tse Wing Chiu, Ricky as non-executive director and Mr. Tsui Chun Kong, Mr. Jong Koon Sang and Mr. Hon Tam Chun as independent non-executive directors.

** for identification purpose only*