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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: 616)

**MAJOR TRANSACTION
IN RELATION TO THE PROPOSED ACQUISITION OF
THE ENTIRE ISSUED SHARE CAPITAL OF
CHANCEMORE LIMITED
(THE ACQUIRER OF THE MATHESON STREET PROPERTY),
AND CLEVER WISE HOLDINGS LIMITED
(THE ACQUIRER OF THE JOHNSTON ROAD PROPERTY)
AND
RESUMPTION OF TRADING**

On 29 June 2009, Power Bright, a wholly-owned subsidiary of the Company entered into the Chancemore Agreement and the Clever Wise Agreement.

Pursuant to the Chancemore Agreement, amongst other things, Power Bright has conditionally agreed to acquire from the Seller the Chancemore Sale Share, representing the entire issued share capital of Chancemore, and the Chancemore Shareholder's Loan.

Pursuant to the Clever Wise Agreement, amongst other things, Power Bright has conditionally agreed to acquire from the Seller the Clever Wise Sale Share, representing the entire issued share capital of Clever Wise, and the Clever Wise Shareholder's Loan.

As the applicable percentage ratios (as defined in the Listing Rules) of the Chancemore Acquisition and the Clever Wise Acquisition, when aggregated, exceed 25% but are less than 100%, the Chancemore Acquisition and the Clever Wise Acquisition constitute a major transaction under Rule 14.06(3) of the Listing Rules, and are therefore subject to the reporting, announcement and Shareholders' approval requirements under the Listing Rules.

A circular containing amongst other things further particulars of the Chancemore Acquisition and the Clever Wise Acquisition, and a notice convening the SGM to approve, amongst other things, the Chancemore Agreement (including the Chancemore Acquisition, the acquisition of the Matheson Street Property by Chancemore and the exercise of the Chancemore Option if the Board considers appropriate) and the Clever Wise Agreement (including the Clever Wise Acquisition, the acquisition of the Johnston Road Property by Clever Wise and the exercise of the Clever Wise Option if the Board considers appropriate) will be despatched to Shareholders as soon as practicable.

Dealings in the Shares on the Stock Exchange were suspended at the request of the Company with effect from 9:30 a.m. on 30 June 2009. Application has been made by the Company for the resumption of dealings in the Shares with effect from 9:30 a.m. on 6 July 2009.

THE CHANCEMORE AGREEMENT

Date

29 June 2009

Parties

- i) the Seller
- ii) Power Bright, as the buyer

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

Assets to be Acquired

Pursuant to the Chancemore Agreement, amongst other things, Power Bright has conditionally agreed to acquire from the Seller the Chancemore Sale Share, representing the entire issued share capital of Chancemore, and the Chancemore Shareholder's Loan.

Conditions Precedent

Completion of the Chancemore Agreement is conditional upon:-

- (a) the Chancemore Agreement and the transactions contemplated therein being approved by the Shareholders of the Company at the SGM in accordance with the Listing Rules; and
- (b) a title investigation on the Matheson Street Property to the satisfaction of Power Bright.

If the above conditions have not been fulfilled or waived on or before 5:00 p.m. on 11 September 2009 (or such other date as the Seller and Power Bright may agree in writing), Power Bright may elect to terminate the Chancemore Agreement whereupon the Seller shall forthwith return the deposit of HK\$8,053,200 to Power Bright. If condition (a) above has been fulfilled but condition (b) above has not been fulfilled, Power Bright may elect to proceed to Chancemore Completion without prejudice to its rights to continue to conduct a title investigation on the Matheson Street Property after the Chancemore Completion in accordance with the terms of the Chancemore Agreement.

Consideration

The consideration for the Chancemore Sale Share and the Chancemore Shareholder's Loan is HK\$8,053,200 (apportioned as to HK\$8 for the Chancemore Sale Share and HK\$8,053,192 for the Chancemore Shareholder's Loan). A deposit equal to HK\$8,053,200 was paid by Power Bright to the Seller on signing of the Chancemore Agreement which shall be treated as the consideration payable under the Chancemore Agreement on Chancemore Completion.

The consideration is subject to adjustment after Chancemore Completion. If the net liability of Chancemore as shown in the Chancemore Audited Completion Accounts is more than that as disclosed in the Chancemore Management Accounts, the consideration shall be adjusted on a dollar for dollar basis downwards but not upwards and the Seller must refund the excess to Power Bright.

The consideration of HK\$8,053,200 was determined based on the deposit paid by Chancemore under the Provisional Matheson Street Property Purchase Agreement and after arm's length negotiations between the Power Bright and the Seller.

Source of Funding

Reference is made to the Company's announcement dated 24 February 2009. The net proceeds from the Rights Issue were approximately HK\$98,000,000, of which approximately HK\$58,000,000 was originally earmarked for the Huzhou Project and approximately HK\$40,000,000 was to be used as working capital. The Group will fund the Chancemore Acquisition from part of the proceeds from the Rights Issue originally earmarked for the Huzhou Project.

Completion

The Chancemore Completion will take place on the third business day after satisfaction of the conditions precedent above. On the Chancemore Completion, the Seller, Power Bright and Chancemore will enter into an assignment in respect of the Chancemore Shareholder's Loan and the Seller will execute a deed of indemnity in favour of Power Bright and Chancemore in relation to, among other things, taxation falling on Chancemore prior to the Chancemore Completion.

Acquisition of the Matheson Street Property by Chancemore

On 13 May 2009, Chancemore entered into a provisional sale and purchase agreement with the Matheson Street Property Vendor for the acquisition of the Matheson Street Property. Completion of the Provisional Matheson Street Property Purchase Agreement is expected to be on or before 25 September 2009. The total consideration for the acquisition of the Matheson Street Property under the Provisional Matheson Street Property Purchase Agreement is HK\$53,688,000.

Chancemore has paid a total of HK\$8,053,200 as deposit under the Provisional Matheson Street Property Purchase Agreement (representing approximately 15% of the total consideration under the Provisional Matheson Street Property Purchase Agreement) to the Matheson Street Property Vendor. Upon completion of the Provisional Matheson Street Property Purchase Agreement which is expected to be on or before 25 September 2009, Chancemore will have to pay the balance of the consideration in the sum of HK\$45,634,800 to the Matheson Street Property Vendor. Upon completion of the Chancemore Agreement, Chancemore will become a wholly-owned subsidiary of the Company. If Chancemore proceeds to complete the acquisition of the Matheson Street Property afterwards, the Group will be responsible for paying the balance of the purchase price for the Matheson Street Property to the Matheson Street Property Vendor upon completion of the Provisional Matheson Street Property Purchase Agreement. The Group will fund the balance of the purchase price for the acquisition of the Matheson Street Property from part of the proceeds from the Rights Issue originally earmarked for the Huzhou Project.

Chancemore Option

Pursuant to the Chancemore Agreement, the Seller granted to Power Bright the right to require the Seller to purchase from Power Bright the Chancemore Sale Share and the Chancemore Shareholder's Loan if completion of purchase of the Matheson Street Property does not take place on 25 September 2009 for whatever reason (including but not limited to Power Bright not being satisfied with the title investigation of the Matheson Street Property) (or such later date as the parties may agree), at a consideration equivalent to the aggregate of (i) HK\$8,053,200 (subject to adjustment under the Chancemore Agreement), (ii) HK\$45,634,800 being the balance of the consideration payable under the Provisional Matheson Street Property Purchase Agreement if it has been paid by Power Bright or Chancemore, and (iii) any other sum paid by Power Bright and/or Chancemore for the purchase of the Matheson Street Property. The Chancemore Option may be exercised by Power Bright by notice in writing to the Seller any time on or before 30 September 2009.

Default

If Power Bright fails to complete the purchase of the Chancemore Sale Share in accordance with the terms and conditions for Chancemore Completion contained in the Chancemore Agreement (other than due to the conditions precedent not being fulfilled or satisfied), the Seller may forthwith determine the Chancemore Agreement by giving notice of termination in writing to Power Bright and the Seller shall be entitled to forfeit the deposit of HK\$8,053,200 paid under the Chancemore Agreement as and for liquidated damages.

THE CLEVER WISE AGREEMENT

Date

29 June 2009

Parties

- i) the Seller
- ii) Power Bright, as the buyer

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

Assets to be Acquired

Pursuant to the Clever Wise Agreement, amongst other things, Power Bright has conditionally agreed to acquire from the Seller the Clever Wise Sale Share, representing the entire issued share capital of Clever Wise, and the Clever Wise Shareholder's Loan.

Conditions Precedent

Completion of the Clever Wise Agreement is conditional upon:-

- (a) the Clever Wise Agreement and the transactions contemplated therein being approved by the Shareholders of the Company at the SGM in accordance with the Listing Rules; and
- (b) a title investigation on the Johnston Road Property to the satisfaction of Power Bright.

If the above conditions have not been fulfilled or waived on or before 5:00 p.m. on 11 September 2009 (or such other date as the Seller and Power Bright may agree in writing), Power Bright may elect to terminate the Clever Wise Agreement whereupon the Seller shall forthwith return the deposit of HK\$5,700,000 to Power Bright. If condition (a) above has been fulfilled but condition (b) above has not been fulfilled, Power Bright may elect to proceed to Clever Wise Completion without prejudice to its rights to continue to conduct a title investigation on the Johnston Road Property after the Clever Wise Completion in accordance with the terms of the Clever Wise Agreement.

Consideration

The consideration for the Clever Wise Sale Share and the Clever Wise Shareholder's Loan is HK\$5,700,000 (apportioned as to HK\$8 for the Clever Wise Sale Share and HK\$5,699,992 for the Clever Wise Shareholder's Loan). A deposit equal to HK\$5,700,000 was paid by Power Bright to the Seller on signing of the Clever Wise Agreement which shall be treated as the consideration payable under the Clever Wise Agreement on Clever Wise Completion.

The consideration is subject to adjustment after Clever Wise Completion. If the net liability of Clever Wise as shown in the Clever Wise Audited Completion Accounts is more than that as disclosed in the Clever Wise Management Accounts, the consideration shall be adjusted on a dollar for dollar basis downwards but not upwards and the Seller must refund the excess to Power Bright.

The consideration of HK\$5,700,000 was determined based on the deposit paid by Clever Wise under the Johnston Road Property Purchase Agreement and after arm's length negotiations between the Power Bright and the Seller.

Source of Funding

The net proceeds from the Convertible Note were approximately HK\$37,150,000, which was originally earmarked for the Huzhou Project. The Group will fund the Clever Wise Acquisition from the proceeds from the Convertible Note.

Completion

The Clever Wise Completion will take place on the third business day after satisfaction of the conditions precedent above. On the Clever Wise Completion, the Seller, Power Bright and Clever Wise will enter into an assignment in respect of the Clever Wise Shareholder's Loan. The Seller will execute a deed of indemnity in favour of Power Bright and Clever Wise in relation to, among other things, taxation falling on Clever Wise prior to Clever Wise Completion.

Acquisition of the Johnston Road Property by Clever Wise

Clever Wise entered into a provisional sale and purchase agreement on 5 June 2009 and the Johnston Road Property Purchase Agreement on 19 June 2009 with the Johnston Road Property Vendor for the acquisition of the Johnston Road Property. The completion of the Johnston Road Property Purchase Agreement is expected to be on or before 21 September 2009. The total consideration for the acquisition of the Johnston Road Property under the Johnston Road Property Purchase Agreement is HK\$38,000,000.

Clever Wise has paid a total of HK\$5,700,000 as deposit under the Johnston Road Property Purchase Agreement (representing approximately 15% of the total consideration under the Johnston Road Property Purchase Agreement) to the Johnston Road Property Vendor. Upon completion of the Johnston Road Property Purchase Agreement which is expected to be on or before 21 September 2009, Clever Wise will have to pay the balance of the consideration in the sum of HK\$32,300,000 to the Johnston Road Property Vendor. Upon completion of the Clever Wise Agreement, Clever Wise will become a wholly-owned subsidiary of the Company. If Clever Wise proceeds to complete the acquisition of the Johnston Road Property afterwards, the Group will be responsible for paying the balance of the purchase price for the Johnston Road Property to the Johnston Road Property Vendor upon completion of the Johnston Road Property Purchase Agreement. As to the balance of the purchase price for the acquisition of the Johnston Road Property, the Group will pay HK\$31,450,000 from the remaining proceeds from the Convertible Note and will pay HK\$850,000 from part of the proceeds from the Rights Issue originally earmarked for the Huzhou Project.

The Johnston Road Property is subject to a tenancy agreement in relation to which the tenant has paid HK\$210,000.00 as rental deposit. Under the Johnston Road Property Purchase Agreement, Clever Wise is required to execute a deed of indemnity in favour of the Johnston Road Property Vendor whereby Clever Wise shall refund the rental deposit to the tenant of the Johnston Road Property (if and when the same shall become payable) and that Clever Wise will keep the Johnston Road Property Vendor fully indemnified from all claims, loss and damages or any claim or proceedings in relation to such rental deposit.

Clever Wise Option

Pursuant to the Clever Wise Agreement, the Seller granted to Power Bright the right to require the Seller to purchase from Power Bright the Clever Wise Sale Share and the Clever Wise Shareholder's Loan if completion of purchase of the Johnston Road Property does not take place on 21 September 2009 for whatever reason (including but not limited to Power Bright not being satisfied with the title investigation of the Johnston Road Property) (or such later date as the parties may agree), at a consideration equivalent to the aggregate of (i) HK\$5,700,000 (subject to adjustment

under the Clever Wise Agreement), (ii) HK\$32,300,000 being the balance of the consideration payable under the Johnston Road Property Purchase Agreement if it has been paid by Power Bright or Clever Wise, and (iii) any other sum paid by Power Bright and/or Clever Wise for the purchase of the Johnston Road Property. The Clever Wise Option may be exercised by Power Bright by notice in writing to the Seller any time on or before 30 September 2009.

Default

If Power Bright fails to complete the purchase of the Clever Wise Sale Share in accordance with the terms and conditions for Clever Wise Completion contained in the Clever Wise Agreement (other than due to the conditions precedent not being fulfilled or satisfied), the Seller may forthwith determine the Clever Wise Agreement by giving notice of termination in writing to Power Bright and the Seller shall be entitled to forfeit the deposit of HK\$5,700,000 paid under the Clever Wise Agreement as and for liquidated damages.

REASONS FOR AND BENEFITS OF THE CHANCEMORE ACQUISITION AND CLEVER WISE ACQUISITION

The Group's principal businesses are in knitting, bleaching and dyeing.

The acquisition of the entire issued share capital of Chancemore and Clever Wise respectively will enable the Group to acquire the Matheson Street Property and the Johnston Road Property. The Chancemore Acquisition and the Clever Wise Acquisition will enable the Group to extend its business activities to property investments. The acquisition of the Matheson Street Property and the Johnston Road Property will enable the Group to build up its property portfolio.

Based on a valuation prepared by independent valuer, the market value of the Matheson Street Property is estimated to be approximately HK\$56,000,000 as at 30 June 2009 and that of the Johnston Road Property is estimated to be approximately HK\$39,000,000 as at 30 June 2009. The valuation report will be included in the circular of the Company to be despatched.

The Matheson Street Property is subject to a tenancy agreement which expires on 30 April 2010 at a rent of HK\$170,000 per month (exclusive of government rates, management fees and all other outgoings). The Johnston Road Property is subject to a tenancy agreement which expires on 31 March 2010 with an option to renew for a further term of one year at a rent of HK\$105,000 per month (exclusive of rates, management fees and government rent).

The Directors are of the view that the terms of the Chancemore Agreement and the Clever Wise Agreement are fair and reasonable and in the interest of the Shareholders as a whole.

Information on Chancemore

The Group was told by the Seller that Chancemore was incorporated on 11 March 2009 and has never carried on any business save for entering into the Provisional Matheson Street Property Purchase Agreement. Therefore Chancemore has not received any income nor incurred any expenses. Based on the Chancemore Management Accounts, the unaudited net asset value of Chancemore as at 29 June 2009 was HK\$8.

Information on Clever Wise

The Group was told by the Seller that Clever Wise was incorporated on 19 May 2009 and has never carried on any business save for entering into a provisional sale and purchase agreement with the Johnston Road Property Vendor for the acquisition of the Johnston Road Property and the Johnston Road Property Purchase Agreement. Therefore Clever Wise has not received any income nor incurred any expenses. Based on the Clever Wise Management Accounts, the unaudited net asset value of Clever Wise as at 29 June 2009 was HK\$8.

IMPLICATIONS UNDER THE LISTING RULES

As the applicable percentage ratios (as defined in the Listing Rules) of the Chancemore Acquisition and the Clever Wise Acquisition, when aggregated, exceed 25% but are less than 100%, the Chancemore Acquisition and the Clever Wise Acquisition constitute a major transaction under Rule 14.06(3) of the Listing Rules, and are therefore subject to the reporting, announcement and Shareholders' approval requirements under the Listing Rules. As no Shareholder has any material interest in the Chancemore Acquisition and the Clever Wise Acquisition, when aggregated, no Shareholder is required to abstain from voting at the SGM in respect of the resolution to approve the Chancemore Acquisition and the Clever Wise Acquisition.

GENERAL

A circular containing amongst other things further particulars of the Chancemore Acquisition and the Clever Wise Acquisition, and a notice convening the SGM to approve, amongst other things, the Chancemore Agreement (including the Chancemore Acquisition, the acquisition of the Matheson Street Property by Chancemore and the exercise of the Chancemore Option if the Board considers appropriate) and the Clever Wise Agreement (including the Clever Wise Acquisition, the acquisition of the Johnston Road Property by Clever Wise and the exercise of the Clever Wise Option if the Board considers appropriate) will be despatched to Shareholders as soon as practicable.

Since exercise of the Chancemore Option and the Clever Wise Option will be approved in advance by the Shareholders at the SGM, the Company will issue an announcement pursuant to the Listing Rules if and when the Chancemore Option and/or the Clever Wise Option is exercised.

Dealings in the Shares on the Stock Exchange were suspended at the request of the Company with effect from 9:30 a.m. on 30 June 2009. Application has been made by the Company for the resumption of dealings in the Shares with effect from 9:30 a.m. on 6 July 2009.

DEFINITIONS

The following terms are used in this announcement with the meanings assigned to them below:-

“associates”	the meaning ascribed thereto in the Listing Rules
“Board”	the board of Directors
“Chancemore”	Chancemore Limited, a company incorporated under the laws of the British Virgin Islands, which is wholly owned by the Seller
“Chancemore Acquisition”	the proposed acquisition of the Chancemore Sale Share and the Chancemore Shareholder’s Loan by Power Bright subject to the terms and conditions of the Chancemore Agreement
“Chancemore Agreement”	an agreement dated 29 June 2009 entered into between Power Bright and the Seller for the sale and purchase of the Chancemore Sale Share and the assignment of the Chancemore Shareholder’s Loan
“Chancemore Audited Completion Accounts”	the audited profit and loss accounts of Chancemore for the period from the date of incorporation of Chancemore up to the Chancemore Completion Date and the audited balance sheet of Chancemore as at the Chancemore Completion Date
“Chancemore Completion”	completion of the sale and purchase of the Chancemore Sale Share and the assignment of the Chancemore Shareholder’s Loan pursuant to the Chancemore Agreement
“Chancemore Completion Date”	the date fixed for completion of the Chancemore Agreement, which is the third business day after satisfaction of the conditions precedent to the Chancemore Agreement, or such other date as the parties may agree in writing
“Chancemore Management Accounts”	the unaudited profit and loss account of Chancemore for the period from the date of incorporation of Chancemore up to 29 June 2009 and the unaudited balance sheet of Chancemore as at 29 June 2009

“Chancemore Option”	the option granted by the Seller to Power Bright to require the Seller to purchase the Chancemore Sale Share from Power Bright described in the section headed “Chancemore Option” in this announcement
“Chancemore Sale Share”	one ordinary share of US\$1 in the share capital of Chancemore, which has been issued and fully paid up and which represents the entire issued share capital of Chancemore
“Chancemore Shareholder’s Loan”	the interest free shareholder’s loan outstanding and owing as at Chancemore Completion by Chancemore to the Seller, which amounts to HK\$8,053,200 as at the date of the Chancemore Agreement
“Clever Wise”	Clever Wise Holdings Limited, a company incorporated under the laws of the British Virgin Islands, which is wholly owned by the Seller
“Clever Wise Acquisition”	the proposed acquisition of the Clever Wise Sale Share and the Clever Wise Shareholder’s Loan by Power Bright subject to the terms and conditions of the Clever Wise Agreement
“Clever Wise Agreement”	an agreement dated 29 June 2009 entered into between Power Bright and the Seller for the sale and purchase of the Clever Wise Sale Share and the assignment of the Clever Wise Shareholder’s Loan
“Clever Wise Audited Completion Accounts”	the audited profit and loss accounts of Clever Wise for the period from the date of incorporation of Clever Wise up to the Clever Wise Completion Date and the audited balance sheet of Clever Wise as at the Clever Wise Completion Date
“Clever Wise Completion”	completion of the sale and purchase of the Clever Wise Sale Share and the assignment of the Clever Wise Shareholder’s Loan pursuant to the Clever Wise Agreement
“Clever Wise Completion Date”	the date fixed for completion of the Clever Wise Agreement, which is the third business day after satisfaction of the conditions precedent to the Clever Wise Agreement, or such other date as the parties may agree in writing

“Clever Wise Management Accounts”	the unaudited profit and loss account of Clever Wise for the period from the date of incorporation of Clever Wise up to 29 June 2009 and the unaudited balance sheet of Clever Wise as at 29 June 2009
“Clever Wise Option”	the option granted by the Seller to Power Bright to require the Seller to purchase the Clever Wise Sale Share from Power Bright described in the section headed “Clever Wise Option” in this announcement
“Clever Wise Sale Share”	one ordinary share of US\$1 in the share capital of Clever Wise, which has been issued and fully paid up and which represents the entire issued share capital of Clever Wise
“Clever Wise Shareholder’s Loan”	the interest free shareholder’s loan outstanding and owing as at Clever Wise Completion by Clever Wise to the Seller, which amounts to HK\$5,700,000 as at the date of the Clever Wise Agreement
“Company”	Easyknit Enterprises Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange
“Convertible Note”	the convertible note issued by the Company on 12 March 2008 with a principal amount of HK\$37,650,000 at 1% per annum, payable semi-annually in arrears to Mr. Chen Tien Tui the net proceeds of which were originally earmarked for financing the Huzhou Project
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Huzhou Project”	the development and construction of garment, bleaching, dyeing, knitting manufacturing operations and a waste water treatment plant on the land of about 632 mu in area located at the west of Dongliang Road, Zhili Town, Wuxing District, Huzhou City, Zhejiang Province of the PRC and the south of Hongtang Harbour, China
“Independent Third Party”	a third party independent of the Company and of connected persons (as defined in the Listing Rules) of the Company

“Johnston Road Property”	Ground Floor, No.148 Johnston Road, Hong Kong, which is the subject of the Johnston Road Property Purchase Agreement
“Johnston Road Property Purchase Agreement”	the formal agreement for sale and purchase dated 19 June 2009 entered into between Clever Wise and the Johnston Road Property Vendor in relation to the sale and purchase of the Johnston Road Property
“Johnston Road Property Vendor”	Max Palace Corporation Limited (沛軒有限公司), the vendor under the Johnston Road Property Purchase Agreement. To the best of the Directors’ knowledge, information and belief, after having made all reasonable enquiries, Max Palace Corporation Limited (沛軒有限公司) and its ultimate beneficial owner are Independent Third Parties
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Matheson Street Property”	Ground Floor and Cockloft Floor, No.13 Matheson Street, Hong Kong, which is the subject of the Provisional Matheson Street Property Purchase Agreement
“Matheson Street Property Vendor”	Max Up Investments Limited (領雄投資有限公司), the vendor under the Provisional Matheson Street Property Purchase Agreement. To the best of the Directors’ knowledge, information and belief, after having made all reasonable enquiries, Max Up Investments Limited (領雄投資有限公司) and its ultimate beneficial owner are Independent Third Parties
“Power Bright”	Power Bright Investments Limited, a company incorporated under the laws of the British Virgin Islands and a wholly owned subsidiary of the Company
“PRC”	People’s Republic of China
“Provisional Matheson Street Property Purchase Agreement”	the provisional agreement for sale and purchase dated 13 May 2009 entered into between Chancemore and the Matheson Street Property Vendor in relation to the sale and purchase of the Matheson Street Property
“Rights Issue”	the issue of 667,499,000 rights shares of HK\$0.01 each at a subscription price of HK\$0.15 per rights share on the basis of ten rights Shares for every one existing Shares held (details of which were set out in the Company’s prospectus dated 29 December 2008)

“Seller”	Li Ming Hung, an individual who to the best of the Directors’ knowledge, information and belief, after having made all reasonable enquiries, is an Independent Third Party
“SGM”	the special general meeting of the Company to be convened to approve, amongst other things, the Chancemore Agreement (including the Chancemore Acquisition, the acquisition of the Matheson Street Property by Chancemore and the exercise of the Chancemore Option) and the Clever Wise Agreement (including the Clever Wise Acquisition, the acquisition of the Johnston Road Property by Clever Wise and the exercise of the Clever Wise Option)
“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
“%”	percentage or per centum

As at the date of this announcement, the Board comprises Mr. Kwong Jimmy Cheung Tim and Ms. Lui Yuk Chu as executive directors, Mr. Tse Wing Chiu, Ricky as non-executive director and Mr. Kan Ka Hon, Mr. Lau Sin Ming and Mr. Foo Tak Ching as independent non-executive directors.

By order of the Board
Easyknit Enterprises Holdings Limited
Kwong Jimmy Cheung Tim
Chairman and Chief Executive Officer

Hong Kong, 3 July 2009

* *For identification purposes only*