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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)

DISCLOSEABLE TRANSACTION

During the period from 26 May 2010 to 16 May 2011, the Company, through its wholly-owned subsidiary, acquired on the market an aggregate of 300,000 CMB Shares for a total consideration of HK\$5,584,000 (exclusive of transaction costs).

The percentage ratios in relation to the Acquisitions which took place between 26 May 2010 to 16 May 2011 (being the date on which the acquisitions of CMB Shares by the Company first triggered a discloseable transaction threshold) under Chapter 14 of the Listing Rules exceed 5% but are less than 25%. Accordingly, the Acquisitions constitute a discloseable transaction of the Company for the purposes of Rule 14.06(2) of the Listing Rules. This announcement is made pursuant to the Listing Rules in respect of all acquisitions of CMB Shares from 26 May 2010 to 16 May 2011.

THE ACQUISITIONS

During the period from 26 May 2010 to 16 May 2011, the Company, through its wholly-owned subsidiary, acquired on the market an aggregate of 300,000 CMB Shares for a total consideration of HK\$5,584,000 (exclusive of transaction costs).

* *For identification only*

As the Acquisitions were made on the market, the Company is not aware of the identities of the vendors of the CMB Shares. To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, each of the vendors of the CMB Shares and their ultimate beneficial owners are third parties independent of the Company and its connected persons (as defined in the Listing Rules).

Assets acquired

An aggregate of 300,000 CMB Shares, representing approximately 0.00139% of the issued share capital of CMB based on the aggregate of 21,576,608,885 A shares and H shares in issue as at 30 April 2011 according to publicly available information.

Consideration

The total consideration of the Acquisitions was HK\$5,584,000 (exclusive of transaction costs), which was satisfied in cash from internal resources of the Company. The consideration for the Acquisitions represented the market price of the CMB Shares at the time of the Acquisitions.

REASONS FOR AND BENEFITS OF THE ACQUISITIONS

The Group's principal businesses are property investment, garment sourcing and exporting.

Having considered the track record of CMB and its recent performance, the Company considers that the CMB Shares are an attractive investment and can enhance the returns on cash for the Company.

As the Acquisitions were made at market price, the Directors (including the independent non-executive Directors) are of the view that the Acquisitions were fair and reasonable, on normal commercial terms and in the interests of the Company and its Shareholders as a whole.

INFORMATION ON CMB

According to publicly available information, CMB is a joint stock company incorporated in the PRC with limited liability, the H shares of which are listed on the main board of the Stock Exchange (Stock Code: 3968). According to its company profile made available on the website of the Stock Exchange, CMB provides corporate and personal banking services, conducts treasury businesses, provides asset management and trustee services and other financial services. Further information on CMB can be found on the website of the Stock Exchange.

Based on the quarterly report of CMB for the three months ended 31 March 2011, the unaudited net asset value of CMB as at 31 March 2011 was RMB142,777,000,000. According to the annual report of CMB for the year ended 31 December 2010, its profits before and after taxation were approximately RMB33,343,000,000 and RMB25,769,000,000 respectively for the year ended 31 December 2010, and RMB22,384,000,000 and RMB18,235,000,000 respectively for the year ended 31 December 2009.

GENERAL

The percentage ratios in relation to the Acquisitions which took place between 26 May 2010 to 16 May 2011 (being the date on which the acquisitions of CMB Shares by the Company first triggered a discloseable transaction threshold) under Chapter 14 of the Listing Rules exceed 5% but are less than 25%. Accordingly, the Acquisitions constitute a discloseable transaction of the Company for the purposes of Rule 14.06(2) of the Listing Rules. This announcement is made pursuant to the Listing Rules in respect of all acquisitions of CMB Shares from 26 May 2010 to 16 May 2011.

DEFINITIONS

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

“Acquisitions”	the acquisitions by the Company, through its wholly-owned subsidiary, of a total of 300,000 CMB Shares on the market during the period from 26 May 2010 to 16 May 2011
“Board”	the board of Directors
“CMB”	China Merchants Bank Co., Ltd.
“CMB Shares”	overseas listed foreign shares with a par value of RMB1.00 each in the share capital of CMB, listed on the main board of the Stock Exchange and traded in Hong Kong dollars
“Company”	Easyknit Enterprises Holdings Limited (永義實業集團有限公司*), an exempted company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange
“Director(s)”	director(s) of the Company

“discloseable transaction”	as defined in the Listing Rules
“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
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“percentage ratios”	as defined in the Listing Rules
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“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
“%”	per cent

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

Hong Kong, 19 May 2011

As at the date of this announcement, 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. Kan Ka Hon, Mr. Lau Sin Ming and Mr. Foo Tak Ching as independent non-executive directors.