

RAJKUMAR MURLIDHAR DASWANI

ANNOUNCEMENT OF A POSSIBLE OFFER FOR THE SHARES OF EASYKNIT ENTERPRISES HOLDINGS LIMITED

Pursuant to Rule 3.7 of the Takeovers Code

Mr. Daswani noted movements in the share price of the shares of Easyknit Enterprises Holdings Limited (stock code: 616) on 18 February 2011. Reference is also made to the announcement made by the Company on 18 February 2011.

Mr. Daswani is a substantial shareholder of the Company and, together with his spouse, held 103,034,143 Shares, representing approximately 28.07% of its entire issued share capital of 367,124,450 Shares before completion of the Rights Issue as described in the Rights Issue Document, as at 21 February 2011, being the latest practicable date for the purpose of ascertaining information contained in this announcement. Mr. Daswani announces that he is currently considering making a voluntary general offer for all the issued Shares other than Shares owned by him or persons acting in concert with him. Mr. Daswani has not approached the board of the Company in respect of this possible offer.

Shareholders and potential investors of the Company should note that the terms of such possible voluntary general offer have not been finalized and there is no certainty that any such offer will be made. Mr. Daswani will make further announcement(s) as may be required under the Takeovers Code. If following this announcement no further announcement has been made in respect of this possible offer within one month, an announcement will be made pursuant to Rule 3.7 of the Takeovers Code setting out the progress of Mr. Daswani's consideration of a possible offer. This obligation continues (and announcements will be required monthly) until announcement of firm intention to make an offer under Rule 3.5 of the Takeovers Code or of a decision not to proceed with an offer.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares or other securities of the Company.

Mr. Rajkumar Murlidhar Daswani (“**Mr. Daswani**”) noted movements in the share price of the shares of Easyknit Enterprises Holdings Limited (stock code: 616) (the “**Company**”) on 18 February 2011. Reference is also made to the announcement made by the Company on 18 February 2011.

Mr. Daswani is a substantial shareholder of the Company and, together with his spouse, held 103,034,143 shares of HK\$0.01 each in the Company (the “**Shares**”), representing approximately 28.07% of its entire issued share capital of 367,124,450 Shares before completion of the rights issue (the “**Rights Issue**”) as described in the rights issue document issued by the Company on 11 February

2011 (the “**Rights Issue Document**”), as at 21 February 2011, being the latest practicable date for the purpose of ascertaining information contained in this announcement. Mr. Daswani announces that he is currently considering making a voluntary general offer for all the issued Shares other than Shares owned by him or persons acting in concert with him. Mr. Daswani has not approached the board of the Company in respect of this possible offer.

Shareholders and potential investors of the Company should note that the terms of such possible voluntary general offer have not been finalized and there is no certainty that any such offer will be made. Mr. Daswani will make further announcement(s) as may be required under the Code on Takeovers and Mergers (the “**Takeovers Code**”). If following this announcement no further announcement has been made in respect of this possible offer within one month, an announcement will be made pursuant to Rule 3.7 of the Takeovers Code setting out the progress of Mr. Daswani’s consideration of a possible offer. This obligation continues (and announcements will be required monthly) until announcement of firm intention to make an offer under Rule 3.5 of the Takeovers Code or of a decision not to proceed with an offer.

Disclosure of dealings

The Company’s and Mr. Daswani’s associates (as defined in the Takeovers Code, including shareholders holding 5% or more of the relevant securities (as defined in paragraphs (a) to (d) in Note 4 to Rule 22 of the Takeovers Code) of the Company) are hereby reminded to disclose their dealings in any securities of the Company under Rule 22 of the Takeovers Code.

In accordance with Rule 3.8 of the Takeovers Code, reproduced below is the full text of Note 11 to Rule 22 of the Takeovers Code:

“Responsibilities of stockbrokers, banks and other intermediaries

Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than \$1 million.

This dispensation does not alter the obligations of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares or other securities of the Company.

Mr. Daswani accepts full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of his knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement herein misleading.

Rajkumar Murlidhar Daswani

22 February 2011

Please also refer to the published version of this announcement in *The Standard*.