

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims 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)

DISCLOSEABLE TRANSACTION

The Company disposed of an aggregate of 1,000,000 shares in Petrochina Company Limited on the market on 9 November 2007 for gross sale proceeds of HK\$15,960,000.

Based on the “five-tests” calculation set out in rule 14.07 of the Listing Rules, one of the applicable percentage ratios in respect of the Disposals in aggregate exceeds 5% but is less than 25%. The Disposals therefore, constitute a discloseable transaction of the Company under rule 14.06(2) of the Listing Rules. A circular providing the information required under the Listing Rules will be despatched to shareholders in due course.

THE DISPOSALS

The Company has, through its wholly-owned subsidiary, disposed on the market of an aggregate of 1,000,000 shares in Petrochina (representing approximately 0.000546% of the issued share capital of Petrochina, based on its issued share capital of 183,020,977,818 shares as shown in the announcement of Petrochina dated 1 November 2007) on 9 November 2007. The gross sale proceeds of the Disposal were HK\$15,960,000 (exclusive of transaction costs) which were received by payment in cash. The consideration received by the Company represented the then market price of the Petrochina H Shares. As a result of the Disposals, the Company will recognise a gain of approximately HK\$1,860,000 calculated on the basis of the difference between the acquisition price and the disposal price exclusive of transaction costs.

As the Disposals were made through the market, the Company is not aware of the identities of the buyers of the Petrochina H Shares and accordingly, to the best of the knowledge of the directors having made all reasonable enquiries, the purchasers of the Petrochina H Shares are third parties independent of the Company and connected persons (as defined in the Listing Rules) of the Company, its subsidiaries and their respective associates.

REASONS FOR THE DISPOSALS

The Company carries on the principal businesses of garment sourcing and export, property investment, investment in securities and loan financing.

The directors of the Company consider that the Disposals will enhance cash balances of the Company. In addition, as the Petrochina H Shares were sold at market price, the Board believed that the Disposals were fair and reasonable and in the interests of the shareholders of the Company as a whole. The Company intends to use the net proceeds as the general working capital of the Group.

INFORMATION ON PETROCHINA

Petrochina is a joint stock company incorporated in the People's Republic of China with limited liability and listed on the main board of the Stock Exchange. Based on its company profile in the website of the Stock Exchange, Petrochina is principally engaged in petroleum and natural gas-related activities, including:

- (a) the exploration, development, production and sale of crude oil and natural gas;
- (b) the refining, transportation, storage and marketing of crude oil and petroleum products;
- (c) the production and sale of basic petrochemical products, derivative chemical products and other petrochemical products; and
- (d) the transmission of natural gas and crude oil, and the sale of natural gas.

Further information on Petrochina can be found on the Stock Exchange website. Based on the 2007 interim report of Petrochina as at 30 June 2007, the unaudited net asset value of Petrochina was RMB755,053 million (equivalent to approximately HK\$776,949.5 million), while the unaudited net asset value of Petrochina attributed to the Disposals was approximately RMB4,220,746 (equivalent to approximately HK\$4,343,148). According to the annual reports of Petrochina for the two years

ended 31 December 2005 and 31 December 2006 respectively, its net profits from ordinary activities (before and after taxation) were RMB193,822 million and RMB199,173 million and RMB139,642 million and RMB149,397 million respectively.

GENERAL

Based on the “five-tests” calculation set out in rule 14.07 of the Listing Rules, one of the applicable percentage ratios in respect of the Disposals in aggregate exceeds 5% but is less than 25%. The Disposals therefore, constitute a discloseable transaction of the Company under rule 14.06(2) of the Listing Rules.

A circular containing information regarding the Disposals required under the Listing Rules will be despatched to shareholders of the Company in due course.

As at the date of this announcement, the Board comprises Mr. Tse Wing Chiu, Ricky, Ms. Lui Yuk Chu and Mr. Kwong Jimmy Cheung Tim as executive directors and Mr. Wong Sui Wah, Michael, Mr. Tsui Chun Kong and Mr. Jong Koon Sang as independent non-executive directors.

TERMS USED IN THIS ANNOUNCEMENT

“Company”	Easyknit International Holdings Limited, a company incorporated in Bermuda with limited liability, the issued shares of which are listed on the Stock Exchange
“Board”	the board of directors of the Company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region
“Disposal”	the disposals by the Company on the market of an aggregate of 1,000,000 Petrochina H Shares on 9 November 2007
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Petrochina”	Petrochina Company Limited, listed on the main board of the Stock Exchange (Stock code: 857)
“Petrochina H Shares”	overseas listed foreign shares of RMB1.00 each in the share capital of Petrochina which are listed on the Stock Exchange and traded in Hong Kong dollars

“RMB” Renminbi, the lawful currency of the People’s Republic of China

“Stock Exchange” the Stock Exchange of Hong Kong Limited

For and on behalf of
Easyknit International Holdings Limited
Tse Wing Chiu, Ricky
President and Chief Executive Officer

Hong Kong, 14 November, 2007