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EASYKNIT INTERNATIONAL HOLDINGS LIMITED

永義國際集團有限公司*

(incorporated in Bermuda with limited liability)

(Stock Code: 1218)

DISCLOSEABLE TRANSACTIONS

During the period from 7 January 2008 to 27 March 2008, the Company had, through its wholly-owned subsidiary, acquired on the Stock Exchange an aggregate of 17,880,000 Sinounion Petro Shares for a total consideration of HK\$24,081,300 (exclusive of transaction costs).

The percentage ratios in relation to the aggregate investments in Sinounion Petro Shares for the period from 7 January 2008 to and including 26 March 2008 (being the date on which the investments in Sinounion Petro Shares by the Company first triggered a discloseable transaction threshold) under Chapter 14 of the Listing Rules had exceeded 5% but is less than 25%. Accordingly, the aggregate investments in Sinounion Petro Shares for the period from 7 January 2008 to and including 26 March 2008 constitute a discloseable transaction of the Company for the purposes of Rule 14.06(2) of the Listing Rules. The Company further acquired Sinounion Petro Shares on 27 March 2008. Such additional acquisition when aggregate with the investments in Sinounion Petro Shares for the period from 7 January 2008 to and including 26 March 2008 also constitute a discloseable transaction of the Company. This announcement is made pursuant to the Listing Rules in respect of all investments in Sinounion Petro Shares from 7 January 2008 to 27 March 2008.

A circular providing the information required under the Listing Rules will be dispatched to shareholders in due course after the publication of this Announcement.

To the extent that any Further Investments after 27 March 2008 when aggregated constitute a discloseable transaction, the Company will comply with the relevant disclosure requirements for discloseable transactions under the Listing Rules. In addition, if any Further Investments when aggregated with the Investments pursuant to the Listing Rules exceed the threshold for a major transaction or a very substantial acquisition, the Company will comply with the relevant requirements under the Listing Rules.

THE INVESTMENTS

During the period from 7 January 2008 to 27 March 2008 the Company had , through its wholly-owned subsidiary, acquired on the Stock Exchange an aggregate of 17,880,000 Sinounion Petro Shares (representing approximately 0.385% of the issued share capital of Sinounion Petro, based on its issued share capital of 4,641,755,555 shares as at 10 March 2008, being the latest practicable date for the purpose of the circular issued by Sinounion Petro dated 12 March 2008).

The total consideration paid for these 17,880,000 Sinounion Petro Shares was HK\$24,081,300 (exclusive of transaction costs) which was satisfied in cash from internal resources of the Company. The consideration for each purchase represented the then market price of the Sinounion Petro Shares.

The percentage ratios in relation to the aggregate investments in Sinounion Petro Shares for the period from 7 January 2008 to and including 26 March 2008 (being the date on which the investments in Sinounion Petro Shares by the Company first triggered a discloseable transaction threshold) under Chapter 14 of the Listing Rules had exceeded 5% but is less than 25%. Accordingly, the aggregate investments in Sinounion Petro Shares for the period from 7 January 2008 to and including 26 March 2008 constitute a discloseable transaction of the Company for the purposes of Rule 14.06(2) of the Listing Rules. The Company further acquired Sinounion Petro Shares on 27 March 2008. Such additional acquisition when aggregate with the investments in Sinounion Petro Shares for the period from 7 January 2008 to and including 26 March 2008 also constitute a discloseable transaction of the Company. This announcement is made pursuant to the Listing Rules in respect of all investments in Sinounion Petro Shares from 7 January 2008 to 27 March 2008.

The Company did not hold any Sinounion Petro Shares before the Investments and has not disposed of any Sinounion Petro Shares since the Investments. Accordingly the Company currently holds a total of 17,880,000 Sinounion Petro Shares (representing approximately 0.385% of the issued share capital of Sinounion Petro, based on its issued share capital of 4,641,755,555 shares as at 10 March 2008, being the latest practicable date for the purpose of the circular issued by Sinounion Petro dated 12 March 2008).

REASONS FOR THE INVESTMENTS

The Company's principal businesses are in garment sourcing and export, property investments and development, investment in securities and loan financing.

The directors of the Company consider that the Investments could enhance the returns on cash for the Company. The source of funding for the Investments was internal cash resources of the Company. Taking into account the track record of Sinounion Petro, the Company considered that the Investments had potential. The Investments were purchased at market prices and the Board (including the independent non-executive directors) believes that the Investments were fair and reasonable and in the interests of the shareholders of the Company as a whole.

INFORMATION ON SINOUNION PETRO

Sinounion Petro is a company incorporated in Bermuda with limited liability and its shares are listed on the main board of the Stock Exchange. According to information published by it, Sinounion Petro is principally engaged in the sale and distribution of polyurethane materials and petroleum products as well as oil exploration and exploitation in Madagascar.

Based on the interim report of Sinounion Petro for the 6 months ended 30 September 2007, the unaudited net asset value of Sinounion Petro was HK\$5,727,102,000 while the unaudited net asset value attributable to the Investments was approximately HK\$22,049,000. According to the annual reports of Sinounion Petro for the years ended 31 March 2007 and 2006 respectively, the net profits from ordinary activities before and after taxation were HK\$10,872,000 and HK\$8,063,000 for the year ended 31 March 2007 and HK\$2,986,000 and HK\$605,000 for the year ended 31 March 2006.

GENERAL

As the Investments were acquired on the Stock Exchange, the Company is not aware of the identities of the vendors of the Sinounion Petro Shares and, to the best of the knowledge of the directors having made all reasonable enquiries, the vendors of the Sinounion Petro 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. To the best of the knowledge of the directors having made all reasonable enquiries, Sinounion Petro is a third party independent of the Company and connected persons of the Company, its subsidiaries and their respective associates.

A circular providing the information required under the Listing Rules will be dispatched to shareholders in due course after the publication of this announcement.

To the extent that any Further Investments after 27 March 2008 when aggregated constitute a discloseable transaction, the Company will comply with the relevant disclosure requirements for discloseable transactions under the Listing Rules. In addition, if any Further Investments when aggregated with the Investments pursuant to the Listing Rules exceed the threshold for a major transaction or a very substantial acquisition, the Company will comply with the relevant requirements under the Listing Rules.

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. Wong Sui Wah, Michael, Mr. Tsui Chun Kong and Mr. Jong Koon Sang as independent non-executive directors.

TERMS USED IN THIS ANNOUNCEMENT

In this announcement the following terms have the following meanings:-

“Company”	Easyknit International Holdings Limited, an exempted company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange
“Board”	the board of directors of the Company
“Further Investments”	further investments by the Company in Sinounion Petro Shares
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Investments”	the investments by the Company by acquisition on the Stock Exchange of an aggregate of 17,880,000 Sinounion Petro during the period from 7 January 2008 to 27 March 2008
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Sinounion Petro”	Sino Union Petroleum & Chemical International Limited, whose shares are listed on the main board of the Stock Exchange (Stock code: 346)

“Sinounion Petro Shares” shares of HK\$0.02 each in the share capital of Sinounion Petro which are listed on the Stock Exchange and traded in Hong Kong dollars

“Stock Exchange” The Stock Exchange of Hong Kong Limited

“%” percentage

For and on behalf of
Easyknit International Holdings Limited
Kwong Jimmy Cheung Tim
President and Chief Executive Officer

Hong Kong, 31 March 2008

* *For identification only*