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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

The Company has, through its wholly-owned subsidiary, disposed of (i) 1,600,000 and 607,000 China CITIC H Shares on the market on 11 June 2008 and 16 June 2008 respectively for aggregate gross sale proceeds of HK\$10,892,720, and (ii) 2,298,000 ICBC H Shares on the market on 18 June 2008 for aggregate gross sale proceeds of HK\$12,706,880.

The consideration ratio under rule 14.07 of the Listing Rules in respect of each of (i) the China CITIC Disposals in aggregate and (ii) the ICBC Disposal exceeds 5% but is less than 25%. Therefore, each of the (i) China CITIC Disposals and (ii) ICBC Disposal constitutes a discloseable transaction of the Company under rule 14.06(2) of the Listing Rules. A circular providing the information regarding the China CITIC Disposals and the ICBC Disposal required under the Listing Rules will be despatched to shareholders in due course.

THE CHINA CITIC DISPOSALS

The Company has, through its wholly-owned subsidiary, disposed on the market of 1,600,000 and 607,000 China CITIC H Shares on 11 June 2008 and 16 June 2008 respectively. The total number of 2,207,000 China CITIC H Shares disposed of represents approximately 0.0057% of the issued share capital of China CITIC (based on its issued share capital of 39,033,000,000 shares as shown in 2008 first quarter report of China CITIC dated 29 April 2008). The aggregate gross sale proceeds of the China CITIC Disposals were HK\$10,892,720 which were received by payment in cash. The consideration received by the Company represented the then market price of the China CITIC H Shares. As a result of the China CITIC Disposals, the Company will recognise a loss of approximately HK\$3,800,300 calculated on the basis of the difference between the acquisition price and the disposal price exclusive of transaction costs.

As the China CITIC Disposals were made on the Stock Exchange , the Company is not aware of the identities of the buyers of the China CITIC H Shares and accordingly, to the best of the knowledge of the directors having made all reasonable enquiries, the purchasers of the China CITIC 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.

THE ICBC DISPOSAL

The Company has, through its wholly-owned subsidiary, disposed on the market of 2,298,000 ICBC H Shares on 18 June 2008. The total number of 2,298,000 ICBC H Shares disposed of represents approximately 0.0007% of the issued share capital of ICBC (based on its issued share capital of 334,019,000,000 shares as shown in the 2008 first quarter report of ICBC dated 29 April 2008). The aggregate gross sale proceeds of the ICBC Disposal were HK\$12,706,880 which were received by payment in cash. The consideration received by the Company represented the then market price of the ICBC H Shares. As a result of the ICBC Disposal, the Company will recognise a gain of approximately HK\$4,362,020 calculated on the basis of the difference between the acquisition price and the disposal price exclusive of transaction costs.

As the ICBC Disposal was made on the Stock Exchange , the Company is not aware of the identities of the buyers of the ICBC Shares and accordingly, to the best of the knowledge of the directors having made all reasonable enquiries, the purchasers of the ICBC 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 CHINA CITIC DISPOSALS AND THE ICBC DISPOSAL

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 China CITIC Disposals and the ICBC Disposal will enhance cash balances of the Company. In addition, as both the China CITIC H Shares and the ICBC H Shares were sold at market price, the Board believed that the China CITIC Disposals and the ICBC Disposal 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 CHINA CITIC

China CITIC 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 accessed through on the website of the Stock Exchange, China CITIC is principally engaged in provision of corporate and personal banking services, conducting treasury business and corresponding banking businesses, provision of asset management, entrusted lending and custodian services.

Further information on China CITIC can be found through on the Stock Exchange website. Based on the 2008 first quarter report of China CITIC, the unaudited net asset value of China CITIC as at 31 March 2008 was RMB86,016 million (equivalent to approximately HK\$75,694 million), while the unaudited net asset value of China CITIC attributed to the Disposals was approximately RMB4,903,000 (equivalent to approximately HK\$4,315,000). According to the annual reports of China CITIC for the two years ended 31 December 2006 and 31 December 2007 respectively, its net profits from ordinary activities (before and after taxation) were RMB7,002 million and RMB13,172 million and RMB3,858 million and RMB8,322 million respectively.

INFORMATION ON ICBC

ICBC 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 accessed through on the website of the Stock Exchange, ICBC is principally engaged in provision of an extensive range of commercial banking products and services.

Further information on ICBC can be found through on the Stock Exchange website. Based on the 2008 first quarter report of ICBC, the unaudited net asset value of ICBC as at 31 March 2008 was RMB570,355 million (equivalent to approximately HK\$501,912 million), while the unaudited net asset value of ICBC attributed to the Disposals was approximately RMB3,992,000 (equivalent to approximately HK\$3,513,000). According to the annual reports of ICBC for the two years ended 31 December 2006 and 31 December 2007 respectively, its net profits from ordinary activities (before and after taxation) were RMB72,065 million and RMB115,378 million and RMB49,880 million and RMB82,254 million respectively.

GENERAL

The consideration ratio under rule 14.07 of the Listing Rules in respect of each of (i) the China CITIC Disposals in aggregate and (ii) the ICBC Disposal exceeds 5% but is less than 25%. Each of the (i) China CITIC Disposals and (ii) ICBC Disposal constitutes a discloseable transaction of the Company under rule 14.06(2) of the Listing Rules.

A circular containing information regarding the China CITIC Disposals and ICBC Disposal 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. 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 are used with the meanings set opposite them:-

“Board”	the board of directors of the Company
“China CITIC”	China CITIC Bank Corporation Limited, a company the shares of which are listed on the main board of the Stock Exchange (Stock code: 998)
“China CITIC H Shares”	overseas listed foreign shares of RMB1.00 each in the share capital of China CITIC which are listed on the Stock Exchange and traded in Hong Kong dollars
“China CITIC Disposals”	the disposals by the Company on the market of 1,600,000 and 607,000 China CITIC H Shares on 11 June 2008 and 16 June 2008 respectively
“Company”	Easyknit International Holdings Limited, a company incorporated in Bermuda with limited liability, the issued shares of which are listed on the Stock Exchange
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region

“ICBC”	Industrial and Commercial Bank of China Limited, a company the shares of which are listed on the main board of the Stock Exchange (Stock code: 1398)
“ICBC Disposal”	the disposal by the Company on the market of 2,298,000 ICBC Shares on 18 June 2008
“ICBC H Shares”	overseas listed foreign shares of RMB1.00 each in the share capital of ICBC which are listed on the Stock Exchange and traded in Hong Kong dollars
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“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
Kwong Jimmy Cheung Tim
President and Chief Executive Officer

Hong Kong, 20 June 2008