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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 TRANSACTION

Further to the announcement of the Company dated 20 June 2008, the Company on 9 December 2008, through its wholly-owned subsidiary, disposed on the market of 1,000,000 ICBC Shares for aggregate gross sale proceeds of HK\$4,310,000.

The consideration ratio under Chapter 14 of the Listing Rules in relation to (i) this Disposal and (ii) when aggregated with the Previous Disposal exceeds 5% but is less than 25%. Accordingly, both the Disposal in isolation constitutes and when aggregated with the Previous Disposal constitutes 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 the Disposal and the Previous Disposal.

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

To the extent that any Further Disposals after 9 December 2008 when aggregated constitute a discloseable transaction, the Company will comply with the relevant disclosure requirements for discloseable transaction under the Listing Rules. In addition, if any Further Disposals when aggregated with the Disposal and the Previous Disposal 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 DISPOSAL

Further to the announcement of the Company dated 20 June 2008 in relation to the Previous Disposal, the Company on 9 December 2008, through its wholly-owned subsidiary, disposed on the market of 1,000,000 ICBC Shares (together with the Previous Disposal of 2,298,000 ICBC Shares representing approximately 0.00098% of the issued share capital of ICBC based on its issued share capital of 334,019,000,000 shares on 30 September 2008 as shown in 2008 third quarter report of ICBC dated 24 October 2008). The aggregate gross sale proceeds of the Disposal were HK\$4,310,000 which were received by payment in cash. The consideration received by the Company represented the then market price of ICBC Shares. As a result of the Disposal, the Company will recognise a gain of approximately HK\$90,000 calculated on the basis of the difference between the acquisition price and the disposal price exclusive of transaction costs.

As the Disposal was made through the market, 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 ICBC DISPOSAL

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 Disposal will enhance cash balances of the Company. In addition, the ICBC Shares were sold at market price, the Board believed that the Disposal was 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 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 third quarter report of ICBC, the unaudited net asset value of ICBC as at 30 September 2008 was RMB585,243 million (equivalent to approximately HK\$515,014 million), while the unaudited net asset value of ICBC attributed to the Disposal and the Previous Disposal was approximately RMB5,735,400 (equivalent to approximately HK\$5,047,152). According to the annual reports of ICBC for the two years ended 31 December 2006 and 31 December 2007, its net profits from ordinary activities (before and after taxation) for the year ended 31 December 2006 were RMB72,065 million (approximately HK\$63,417 million) and RMB49,880 million (approximately HK\$43,894 million) respectively and for the year ended 31 December 2007 were RMB115,378 million (approximately HK\$101,533 million) and RMB82,254 (approximately HK\$72,384 million) respectively.

GENERAL

The consideration ratio under rule 14.07 of the Listing Rules in respect of (i) the Disposal and (ii) when aggregated with the Previous Disposal exceeds 5% but is less than 25%. Accordingly, both the Disposal in isolation constitutes and when aggregated with the Previous Disposal constitutes 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 the Disposal and the Previous Disposal.

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

To the extent that any Further Disposals after 9 December 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 Disposals when aggregated with the Disposal and the Previous Disposal 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.

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. Tsui Chun Kong, Mr. Jong Koon Sang and Mr. Hon Tam Chun as independent non-executive directors.

TERMS USED IN THIS ANNOUNCEMENT

In this announcement, the following terms are used with the meanings set opposite them:-

“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
“Disposal”	the disposal by the Company on the market of 1,000,000 ICBC Shares on 9 December 2008
“Further Disposals”	further disposals by the Company in ICBC Shares after 9 December 2008
“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 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
“Previous Disposal”	the disposal by the Company by disposing on the Stock Exchange of an aggregate of 2,298,000 ICBC Shares on 18 June 2008
“RMB”	Renminbi, the lawful currency of the People’s Republic of China
“Stock Exchange”	the Stock Exchange of Hong Kong Limited
“%”	per cent.

In this announcement, translation of RMB into HK\$ are made at a rate of RMB1.00 to HK\$0.88.

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

Hong Kong, 10 December 2008