

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liabilities 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 has, through its wholly-owned subsidiary, disposed on the market of an aggregate of 734,000 China Life Shares on 29 July 2009, representing its entire holding of China Life Shares as of the date of this announcement for aggregate gross sale proceeds of approximately HK\$25,604,200.

The applicable percentage ratios under rule 14.07 of the Listing Rules in respect of the China Life Disposal exceeds 5% but is less than 25%, the China Life Disposal constitutes a discloseable transaction of the Company under rule 14.06(2) of the Listing Rules.

THE CHINA LIFE DISPOSAL

The Company has, through its wholly-owned subsidiary, disposed on the market of an aggregate of 734,000 China Life Shares on 29 July 2009, representing its entire holding of China Life Shares as of the date of this announcement, which represent approximately 0.0026% of the issued share capital of China Life (based on its issued share capital of 28,264,705,000 shares as shown in the 2008 annual report of China Life). The aggregate gross sale proceeds of the China Life Disposal were approximately HK\$25,604,200 which were received in cash. The consideration received by the Group represented the then market price of the China Life Shares. As a result of the China Life Disposal, the Group is expected to recognise a gain of approximately HK\$3,550,700 calculated on the basis of the difference between the acquisition price and the disposal price exclusive of transaction costs.

As the China Life Disposal was made through the market, the Company is not aware of the identities of the buyers of the China Life Shares and accordingly, to the best of the knowledge, information and belief of the directors of the Company having made all reasonable enquiries, the purchasers of the China Life 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 LIFE DISPOSAL

The Group'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 Life Disposal will enhance cash balances of the Company for future development. In addition, as the China Life Shares were sold at market price, the Board believes that the China Life 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 for general working capital of the Group.

INFORMATION ON CHINA LIFE

China Life is a company incorporated in the PRC with limited liability whose H shares are listed on the main board of the Stock Exchange. Based on its company profile made available on the website of the Stock Exchange, China Life is principally engaged in providing life, annuities, accident and health insurance products in the PRC.

Further information on China Life can be found on the website of the Stock Exchange. Based on the 2008 annual report of China Life, the audited net asset value of China Life as at 31 December 2008 was RMB181,573,000,000, and based on this amount, the audited net asset value of China Life attributed to the China Life Disposal would be approximately RMB4,720,898. According to the annual reports of China Life for the two years ended 31 December 2007 and 31 December 2008 respectively, its net profits from ordinary activities (before and after taxation) were RMB45,391,000,000 and RMB39,060,000,000 (for year 2007) and RMB22,804,000,000 and RMB21,414,000,000 (for year 2008) respectively.

GENERAL

The applicable percentage ratios under rule 14.07 of the Listing Rules in respect of the China Life Disposal exceeds 5% but is less than 25%, the China Life Disposal constitutes a discloseable transaction of the Company under rule 14.06(2) of 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:-

“Board”	the board of directors of the Company
“China Life”	China Life Insurance Company Limited, a company the H shares of which are listed on the main board of the Stock Exchange (Stock code: 2628)
“China Life Disposal”	the disposal by the Company on the market of 734,000 China Life Shares on 29 July 2009, representing its entire holding of China Life Shares as of the date of this announcement
“China Life Shares”	shares of RMB1 each in the share capital of China Life which are listed and traded on the Stock Exchange
“Company”	Easyknit International Holdings Limited, an exempted company incorporated in Bermuda with limited liability, the issued shares of which are listed on the Stock Exchange
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“percentage ratios”	has the meaning ascribed thereto in Chapter 14 of the Listing Rules
“RMB”	Renminbi, the lawful currency of the PRC
“PRC”	the People’s Republic of China
“Stock Exchange”	the Stock Exchange of Hong Kong Limited

By Order of the Board
Easyknit International Holdings Limited
Kwong Jimmy Cheung Tim
President and Chief Executive Officer

Hong Kong, 3 August 2009

* *For identification only*