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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

The Company acquired, through its wholly-owned subsidiary, an aggregate of 915,000 China Minsheng Shares on 26 November 2009 at a total consideration of approximately HK\$8,308,200. The Company, through its wholly-owned subsidiary, has subsequently disposed of the 915,000 China Minsheng Shares on the Stock Exchange.

The applicable percentage ratio under Rule 14.07 of the Listing Rules in respect of the China Minsheng Acquisition exceeded 5% but was less than 25% and it thus constituted a discloseable transaction of the Company under the Listing Rules. The applicable percentage ratio in respect of the China Minsheng Disposal was less than 5% and it was not a notifiable transaction under the Listing Rules.

THE CHINA MINSHENG ACQUISITION AND CHINA MINSHENG DISPOSAL

The Company acquired, through its wholly-owned subsidiary, an aggregate of 915,000 China Minsheng Shares on 26 November 2009, which represented approximately 0.004% of the issued share capital of China Minsheng (based on its issued share capital of 22,144,707,989 shares as disclosed in the China Minsheng Prospectus).

The total consideration paid for the China Minsheng Acquisition was approximately HK\$8,308,200 (exclusive of transaction costs) which was satisfied in cash from internal resources of the Company. The consideration for the China Minsheng Acquisition represented the then market price of the 915,000 China Minsheng Shares.

The Company, through its wholly-owned subsidiary, has since then disposed of the 915,000 China Minsheng Shares on the Stock Exchange.

REASONS FOR THE CHINA MINSHENG ACQUISITION AND CHINA MINSHENG DISPOSAL

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

Having considered the track record of China Minsheng, the directors of the Company considered that the China Minsheng Acquisition could enhance the returns on cash for the Company. However, due to uncertain market conditions, the directors of the Company considered that the China Minsheng Disposal would avoid the risk of depreciation in the share price of China Minsheng Shares.

The source of funding for the China Minsheng Acquisition was internal cash resources of the Company. The China Minsheng Acquisition and China Minsheng Disposal were both made at market prices and the Board believes that the China Minsheng Acquisition and China Minsheng Disposal were fair and reasonable and in the interests of the shareholders of the Company as a whole.

INFORMATION ON CHINA MINSHENG

China Minsheng is a company incorporated in the PRC with limited liability and its H shares are listed on the main board of the Stock Exchange. Based on information the China Minsheng Prospectus, China Minsheng is the first and largest national joint stock commercial bank in the PRC primarily founded by non-state-owned enterprises. According to its company profile made available on the website of the Stock Exchange, China Minsheng is principally engaged in the corporate banking, retail banking and treasury business.

Further information on China Minsheng can be found on the website of the Stock Exchange. Based on the China Minsheng Prospectus, the audited net asset value of China Minsheng as at 31 December 2008 was RMB54,672,000,000 and based on this amount, the audited net asset value of China Minsheng attributed to the China Minsheng Acquisition would be approximately RMB2,186,880. According to the accountant's report in the China Minsheng Prospectus, for the two years ended 31 December 2007 and 31 December 2008 respectively, its audited net profits from ordinary activities (before and after taxation) were RMB9,212,000,000 and RMB6,335,000,000 (for the year ended 31 December 2007) and RMB10,488,000,000 and RMB7,893,000,000 (for the year ended 31 December 2008) respectively.

GENERAL

As the total consideration of the China Minsheng Acquisition exceeded 5% but was less than 25% of the applicable percentage ratios under Rule 14.07 of the Listing Rules, the China Minsheng Acquisition constituted a discloseable transaction of the Company for the purposes of Rule 14.06(2) of the Listing Rules.

The total consideration of the China Minsheng Disposal was less than 5% of the applicable percentage ratios under Rule 14.07 of the Listing Rules and it was not a notifiable transaction under the Listing Rules.

To the best of the knowledge, information and belief of the directors of the Company having made all reasonable enquiries, the vendors of the China Minsheng Shares were third parties independent of the Company and connected persons (as defined in the Listing Rules) of the Company, its subsidiaries and their respective associates.

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 have the following meanings:-

“Board”	the board of directors of the Company
“China Minsheng”	China Minsheng Banking Corp., Ltd., a company the H shares of which are listed on the main board of the Stock Exchange (Stock code: 1988)
“China Minsheng Acquisition”	the acquisition by the Company an aggregate of 915,000 China Minsheng Shares on 26 November 2009
“China Minsheng Disposal”	the disposal by the Company on the Stock Exchange of an aggregate of 915,000 China Minsheng Shares, representing its entire holding of China Minsheng Shares as of the date of this announcement
“China Minsheng Shares”	shares of RMB1.00 each in the share capital of China Minsheng which are listed and traded on the main board of the Stock Exchange
“China Minsheng Prospectus”	the prospectus issued by China Minsheng dated 13 November 2009

“Company”	Easyknit International Holdings Limited, an exempted company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“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
“RMB”	Renminbi, the lawful currency of the People’s Republic of China
“PRC”	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, 3 December, 2009

** For identification only*