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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 ACQUISITION OF LISTED SECURITIES**

On 24 October 2012, the Company, through its wholly owned subsidiary, acquired a total of 450,000 CRG Shares on the market for an aggregate consideration of approximately HK\$1,691,000 (excluding transaction costs).

The Acquisition constitutes a discloseable transaction of the Company as one of the applicable percentage ratios exceeds 5% but is less than 25%.

#### **THE ACQUISITION**

On 24 October 2012, the Company, through its wholly-owned subsidiary, acquired a total of 450,000 CRG Shares on the market for an aggregate consideration of approximately HK\$1,691,000 (excluding transaction costs).

As the Acquisition was made on the market, the Company is not aware of the identities of the vendors of the CRG Shares. To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, each of the vendors of the CRG Shares and their ultimate beneficial owners are third parties independent of the Company and its connected persons (as defined in the Listing Rules).

#### **Assets Acquired**

450,000 CRG Shares, representing approximately 0.0021% of the issued shares of CRG based on the 21,299,900,000 CRG Shares in issue as at 30 September 2012 according to publicly available information.

#### **Consideration**

The aggregate consideration of the Acquisition is approximately HK\$1,691,000 (excluding transaction costs), which was satisfied in cash from internal resources of the Company. The consideration for the Acquisition represented the market price of the CRG Shares at the time of the Acquisition.

*\* for identification only*

## **REASONS FOR AND BENEFITS OF THE ACQUISITION**

The Group's principal businesses are property investment, garment sourcing and exporting, investment in listed securities and loan financing.

Having considered the track record of CRG and its recent performance, the Company considers that the CRG Shares are an attractive investment and can enhance the returns on cash for the Company.

As the Acquisition was made at market price, the Directors (including the independent non-executive Directors) are of the view that the Acquisition was fair and reasonable, on normal commercial terms and in the interests of the Company and its Shareholders as a whole.

## **INFORMATION ON CRG**

According to publicly available information, CRG is a joint-stock company incorporated in the PRC with limited liability and the H shares of which are listed on the main board of the Stock Exchange (Stock Code: 00390). According to its company profile made available on the internet, the principal activities are infrastructure construction, survey, design and consulting services, engineering equipment and components manufacturing, property development. Further information on CRG can be found on the website of the Stock Exchange. Based on the interim report of CRG for the six months ended 30 June 2012, the unaudited net asset value of CRG as at 30 June 2012 was RMB82,670 million. According to the annual reports of CRG for the two years ended 31 December 2010 and 31 December 2011 respectively, its net profits from ordinary activities before and after taxation were approximately RMB3,588 million and RMB2,694 million; and RMB3,655 million and 2,540 million respectively.

## **GENERAL**

The Acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules, as one of the applicable percentage ratios exceeds 5% but are less than 25%.

## **DEFINITIONS**

In this announcement, unless the context otherwise requires, the following terms have the following meanings:

|               |   |
|---------------|---|
| “Acquisition” | the acquisition by the Company, through its wholly owned subsidiary, of a total of 450,000 CRG Shares on the market on 24 October 2012                            |
| “Board”       | the board of Directors  |
| “Company”     | Easyknit International Holdings Limited, an exempted company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange |

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|----------------------------|---|
| “CRG”                      | China Railway Group Limited, a joint stock company incorporated in the PRC with limited liability, the H shares of which are listed on the main board of the Stock Exchange (Stock code: 00390) |
| “CRG Shares”               | overseas listed foreign shares with a par value of RMB1.00 each in the share capital of CRG, listed on the main board of the Stock Exchange and traded in Hong Kong dollars                     |
| “Director(s)”              | director(s) of the Company  |
| “discloseable transaction” | as defined in the Listing Rules   |
| “Group”                    | the Company and its subsidiaries  |
| “HK\$”                     | Hong Kong dollars, the lawful currency of Hong Kong   |
| “Hong Kong”                | the Hong Kong Special Administrative Region of the PRC  |
| “Listing Rules”            | the Rules Governing the Listing of Securities on the Stock Exchange   |
| “percentage ratios”        | as defined in the Listing Rules   |
| “PRC”                      | the People’s Republic of China  |
| “RMB”                      | Renminbi, the lawful currency of the PRC  |
| “Share(s)”                 | ordinary share(s) of HK\$0.10 each in the share capital of the Company  |
| “Shareholder(s)”           | holder(s) of Shares   |
| “Stock Exchange”           | The Stock Exchange of Hong Kong Limited   |
| “%”                        | per cent  |

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

Hong Kong, 26 October 2012

*As at the date hereof, the Board comprises Mr. Kwong Jimmy Cheung Tim, Ms. Lui Yuk Chu and Ms. Koon Ho Yan Candy 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.*