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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**

The Group acquired on-market the Acquired Shares in a series of transactions conducted between 7 November 2012 and 13 November 2012 for an aggregate purchase price of approximately HK\$12,850,000 (exclusive of transaction costs).

The Acquisitions (in aggregate) constituted a discloseable transaction for the Company under Rule 14.06(2) of the Listing Rules.

#### **THE ACQUISITIONS**

The Board is pleased to announce that the Company, through its wholly-owned subsidiary, acquired on-market the Acquired Shares (ie. an aggregate of 850,000 Esprit Shares and 1,100,000 Esprit nil-paid right shares, representing approximately 0.15% of the entire issued share capital of Esprit at the date of this announcement), in a series of transaction conducted between 7 November 2012 and 13 November 2012, at the price between HK\$11.08 and HK\$11.40 per Esprit Share; between HK\$2.86 and HK\$3.17 per Esprit nil-paid rights shares (exclusive of transaction costs). The average price (exclusive of transaction costs) for the acquisition of each Esprit Shares and each Esprit nil-paid rights shares was approximately HK\$11.27 and HK\$2.98 respectively. The aggregate purchase price of the Acquired Shares (exclusive of transaction costs) is approximately HK\$12,850,000, which was paid/payable by the Company in cash. The purchase price paid by the Company represented the then market price of the Esprit Shares and was paid/payable from the Company's internal resources.

As the Acquisitions were made through the market, the Company was not aware of the identities of the sellers of the Acquired Shares and accordingly, to the best knowledge, information and belief of the Directors having made all reasonable enquiries, the sellers of the Acquired Shares are Independent Third Parties.

#### **ACQUISITION AND DISPOSAL OF THE ESPRIT SHARES IN THE PAST 12 MONTHS IMMEDIATELY PRECEDING THE DATE OF THIS ANNOUNCEMENT**

Save as aforesaid, the Group did not acquire or dispose any Esprit Shares or Esprit nil-paid rights shares within the period of 12 months immediately preceding the date of this announcement.

*\* for identification only*

## REASONS FOR AND BENEFITS OF THE ACQUISITIONS

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

Having considered the track record of Esprit and its recent performance, the Company considers that the Esprit Shares and Esprit nil-paid rights shares are an attractive investment and can enhance the returns on cash for the Company.

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

## INFORMATION ON ESPRIT

Esprit is an exempted company incorporated in Bermuda with limited liability and the shares of which are listed and traded on the main board of the Stock Exchange (stock code: 330). Esprit is principally engaged in wholesale and retail distribution and licensing of quality fashion and lifestyle products designed.

The following information is extracted respectively from the audited financial statements for two financial years ended 30 June 2012:

	For the year ended 30 June	
	2012	2011
	<i>HK\$ million</i>	<i>HK\$ million</i>
Revenue	30,165	33,767
Profit before taxation	1,162	710
Net profit after taxation attributable to shareholders of Esprit	873	79

## GENERAL

The Acquisitions 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:

“Acquired Shares”	an aggregate of 850,000 Esprit Shares and 1,100,000 Esprit nil-paid rights shares
“Acquisitions”	the acquisition of the Acquired Shares by the Group
“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
“Esprit”	Esprit Holdings Limited, an exempted company incorporated in Bermuda with limited liability and the shares of which are listed and traded on the main board of Stock Exchange (stock code: 330)
“Esprit Shares”	the ordinary share(s) of HK\$0.10 each in the share capital of Esprit
“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
“Independent Third Party”	third party(ies) independent of the Company and connected persons of the Company
“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
“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, 13 November 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.*