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EASYKNIT ENTERPRISES HOLDINGS LIMITED

永義實業集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock code : 616)

DISCLOSEABLE TRANSACTION ACQUISITION OF LISTED SECURITIES

On 24 October 2012, the Company, through its wholly owned subsidiary, acquired a total of 2,500,000 ABC Shares on the market for an aggregate consideration of approximately HK\$8,367,000 (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 2,500,000 ABC Shares on the market for an aggregate consideration of approximately HK\$8,367,000 (excluding transaction costs).

As the Acquisition was made on the market, the Company is not aware of the identities of the vendors of the ABC Shares. To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, each of the vendors of the ABC 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

2,500,000 ABC Shares, representing approximately 0.0008% of the issued shares of ABC based on the 324,794,117,000 ABC Shares in issue as at 30 September 2012 according to publicly available information.

Consideration

The aggregate consideration of the Acquisition is approximately HK\$8,367,000 (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 ABC 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 and investment in listed securities.

Having considered the track record of ABC and its recent performance, the Company considers that the ABC 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 ABC

According to publicly available information, ABC 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: 01288). According to its company profile made available on the internet, ABC provides a comprehensive range of commercial banking products and services. Further information on ABC can be found on the website of the Stock Exchange. Based on the interim report of ABC for the six months ended 30 June 2012, the unaudited net asset value of ABC as at 30 June 2012 was RMB691,826 million. According to the annual reports of ABC 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 RMB120,734 million and RMB94,907 million; and RMB158,201 million and 121,956 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:

“ABC”	Agricultural Bank of China 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: 01288)
“ABC Shares”	overseas listed foreign shares with a par value of RMB1.00 each in the share capital of ABC, listed on the main board of the Stock Exchange and traded in Hong Kong dollars
“Acquisition”	the acquisition by the Company, through its wholly owned subsidiary, of a total of 2,500,000 ABC Shares on the market on 24 October 2012
“Board”	the board of Directors

“Company”	Easyknit Enterprises Holdings Limited, an exempted company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange
“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\$0.01 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 Enterprises Holdings Limited
Kwong Jimmy Cheung Tim
Chairman and Chief Executive Officer

Hong Kong, 26 October 2012

As at the date of this announcement, 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. Kan Ka Hon, Mr. Lau Sin Ming and Mr. Foo Tak Ching as independent non-executive directors.