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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 DISPOSAL OF LISTED SECURITIES

On 7 February 2013, the Company, through its wholly owned subsidiary, disposed of 3,000,000 ABC Shares on the market for the aggregate gross sale proceeds of HK\$12,320,000 (excluding transaction costs).

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

THE DISPOSAL

On 7 February 2013, the Company, through its wholly-owned subsidiary, disposed of 3,000,000 ABC Shares on the market for the aggregate gross sale proceeds of HK\$12,320,000 (excluding transaction costs).

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

The Group disposed of 3,000,000 ABC Shares, representing approximately 0.0009% of the issued share capital of ABC (based on the 324,794,117,000 ABC Shares as at 31 January 2013 according to publicly available information).

Consideration

The aggregate gross sale proceeds of the Disposal is approximately HK\$12,320,000 (excluding transaction costs), which is receivable in cash on settlement. The consideration for the Disposal represented the market price of the ABC Shares at the time of the Disposal.

** for identification only*

REASONS FOR AND BENEFITS OF THE DISPOSAL

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

The purpose of the Disposal is to obtain a balanced securities investment portfolio. As a result of the Disposal, the Group is expected to recognize a gain of approximately HK\$317,000 calculated on the basis of the difference between the acquisition price and the disposal price (exclusive of the transaction costs). The Group intends to use the proceeds of the Disposal for general working capital.

The Disposal was made at market price and the Directors (including the independent non-executive Directors) are of the view that the Disposal will enhance the liquidity of the Company, 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 Disposal constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules, as 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:

“Board”	the board of Directors
“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

“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
“Disposal”	the disposal by the Company, through its wholly-owned subsidiary, of a total of 3,000,000 ABC Shares on the market on 7 February 2013 for a consideration of HK\$12,320,000
“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, 8 February 2013

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.