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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)

MAJOR TRANSACTION DISPOSAL OF LISTED SECURITIES

Reference is made to the Announcement and Circular of the Company in relation to the possible Disposals and/or possible Acquisitions of listed securities.

The October Disposal standing alone constitutes a discloseable transaction under Rule 14.06(2) of the Listing Rules as the applicable percentage ratios of the October Disposal exceed 5% but are less than 25%, and is therefore subject to the reporting and announcement requirements under the Listing Rules.

The October Disposal when aggregated with the February Disposal became a major transaction under the Listing Rules as the applicable percentage ratios of Aggregated Disposal exceed 25% but are less than 75%, and is therefore subject to reporting, announcement and shareholders' approval requirements. Prior Shareholders' approval on the disposal of ABC Shares as a possible major transaction was obtained in the special general meeting of the Company held on 11 October 2013.

THE DISPOSAL OF ABC SHARES

Reference is made to the Announcement and Circular of the Company in relation to the possible Disposals and/or possible Acquisitions of listed securities. Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Circular.

October Disposal

On 31 October 2013, the Company, through a wholly-owned subsidiary, disposed on-market the October Disposal at a price between HK\$3.70 and HK\$3.73 per ABC Share for an aggregate gross sale proceeds of approximately HK\$14,850,000 (excluding transaction costs).

The October Disposal standing alone constitutes a discloseable transaction under Rule 14.06(2) of the Listing Rules as the applicable percentage ratios of the October Disposal exceed 5% but are less than 25%, and is therefore subject to the reporting and announcement requirements under the Listing Rules.

** for identification only*

As the October 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).

Aggregated Disposal

The October Disposal when aggregated with the February Disposal became a major transaction under the Listing Rules as the applicable percentage ratios of Aggregated Disposal exceed 25% but are less than 75%, and is therefore subject to reporting, announcement and shareholders' approval requirements. Prior Shareholders' approval on the disposal of ABC Shares as a possible major transaction was obtained in the special general meeting of the Company held on 11 October 2013.

The total number in Aggregated Disposal of 7,000,000 ABC Shares representing approximately 0.0022% of the issued share capital of ABC (based on the 324,794,117,000 ABC Shares as at 31 October 2013 according to publicly available information), at a price between HK\$3.70 and HK\$4.12 per ABC Share for an aggregate gross sale proceeds of approximately HK\$27,170,000 (excluding transaction costs).

Consideration

The aggregated gross sale proceeds of the Aggregated Disposal is approximately HK\$27,170,000 (excluding transaction costs), which was receivable in cash on settlement. The consideration for the Aggregated Disposal represented the market price of the ABC Shares at the time of the disposal.

REASONS FOR AND BENEFITS OF THE DISPOSAL

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

The purpose of the Aggregated Disposal is to obtain a balanced securities investment portfolio. As a result of the Aggregated Disposal, the Group is expected to recognise a gain of approximately HK\$800,000 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 for general working capital.

The Aggregated Disposal was made at market price and the Directors (including the independent non-executive Directors) are of the view that the Aggregated 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.

EFFECTS OF AGGREGATED DISPOSAL ON EARNINGS AND ASSETS AND LIABILITIES OF THE GROUP

The Aggregated Disposal will increase the amount of cash of the Group of approximately HK\$27,107,000 by the amount of consideration received for the Aggregated Disposal, net of related expenses. As the Group's investments in the ABC Shares are stated in the Group's consolidated financial statements at fair value which are based on the quoted market bid prices on the Stock Exchange, the Aggregated Disposal is expected to have no material impact on the consolidated assets and the earnings of the Group.

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 quarterly report of ABC for the nine months ended 30 September 2013, the unaudited net asset value of ABC as at 30 September 2013 was RMB828,772. According to the annual reports of ABC for the two years ended 31 December 2011 and 31 December 2012 respectively, its net profits from ordinary activities before and after taxation were approximately RMB158,201 million and RMB121,956 million; and RMB187,927 million and RMB145,131 million respectively.

GENERAL

The Aggregated Disposal constitutes a major transaction of the Company under Chapter 14 of the Listing Rules, as the applicable percentage ratios exceeds 25% but are less than 75%, and is therefore subject to reporting, announcement and shareholders' approval requirements. Prior Shareholders' approval on the disposal of ABC Shares as a possible major transaction was obtained in the special general meeting of the Company held on 11 October 2013.

The Board confirmed that the October Disposal and Aggregated Disposal complied with all the requirements relating to the possible Disposal stated in the Circular. In addition, the Company will closely monitor any further disposal of ABC Shares by the Group to ensure that any further aggregate disposals of ABC Shares will not give rise to a very substantial disposal. If such an event occurs, the Company will adhere to any additional requirements under the Listing Rules, including seeking further approval by the Shareholders, if required, before proceeding with further disposals of ABC Shares.

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
“Aggregated Disposal”	the disposal of 7,000,000 ABC Shares by the Company by aggregating the October Disposal and February Disposal
“Announcement”	the Company's announcement dated 30 August 2013 in relation to the possible major Disposals and/or possible major Acquisitions of listed securities

“Board”	the board of Directors
“Circular”	the Company’s circular dated 23 September 2013 to the Shareholders in providing detailed information on the possible major Disposals and/or possible major Acquisitions of listed securities
“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
“February 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 approximately HK\$12,320,000, please refer to the Company’s announcement dated 8 February 2013 for details
“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
“Major Transaction”	as defined in the Listing Rules
“October Disposal”	the disposal by the Company, through its wholly-owned subsidiary, of a total of 4,000,000 ABC Shares on the market on 31 October 2013 for a consideration of approximately HK\$14,850,000
“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, 4 November 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.