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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 TRANSACTIONS**

On 8 October, 2007, the Company acquired an aggregate of 212,000 HKEX Shares for a total consideration of HK\$53,746,400 from the market averaging approximately HK\$253 per HKEX Share. Together with the Company's existing shareholding in 228,000 HKEX Shares which were acquired at an average price of approximately HK\$57 per HKEX Share in April and May, 2006, the Company holds a total of 440,000 HKEX Shares at an average acquisition price of approximately HK\$152 per HKEX Share.

During the period from 13 July, 2007 and 8 October, 2007, the Company also acquired an aggregate of 572,000 China Mobile Shares for a total consideration of HK\$67,514,700 from the market.

In regard to the investment in HKEX Shares on 8 October, 2007, one of the results of the percentage ratios under Chapter 14 of the Listing Rules exceed 5% but is less than 25%. In regard to the investments in China Mobile Shares for the period from 13 July and 8 October, 2007, one of the results of the percentage ratios under Chapter 14 of the Listing Rules also exceeds 5% but is less than 25%. The two Investments therefore, constitute two discloseable transactions of the Company under rule 14.06(2) of the Listing Rules. A circular providing the information required under the Listing Rules will be dispatched to shareholders in due course after the publication of this Announcement.

Where Further Investments in each of the HKEX Shares or the China Mobile Shares, when aggregated with each the Investments each of the HKEX Shares or the China Mobile Shares in accordance with the Listing Rules, constitute a major or other type of notifiable transaction under the Listing Rules, the Company will comply with the relevant requirements of the Listing Rules.

## **THE INVESTMENTS**

On 8 October, 2007, the Company has, through its wholly-owned subsidiary, acquired from the market an aggregate of 212,000 HKEX Shares (representing approximately 0.0198% of the issued share capital of HKEX, based on its issued share capital of 1,068,959,346 shares as shown in the interim report of HKEX for the period ended 30 June, 2007). The total consideration paid was HK\$53,746,400 (exclusive of transaction costs) which was satisfied by payment in cash from internal resources of the Company. The consideration represented the then market price of the HKEX Shares. Together with the Company's existing shareholding in 228,000 HKEX Shares which were acquired at an average price of approximately HK\$57 per HKEX Share in April and May, 2006, the Company holds a total of 440,000 HKEX Shares at an average acquisition price of approximately HK\$152 per HKEX Share.

In addition, the Company has, through its wholly-owned subsidiary, acquired from the market an aggregate of 572,000 shares in China Mobile (representing approximately 0.00286% of the issued share capital of China Mobile, based on its issued share capital of 20,003,122,050 shares as shown in the interim report of China Mobile for the period ended 30 June, 2007) during the period from 13 July, 2007 to 8 October, 2007. The total consideration paid was HK\$67,514,700 (exclusive of transaction costs) which was satisfied by payment in cash from internal resources of the Company. The consideration represented the then market price of the China Mobile Shares.

As the Investments were made through the market, the Company is not aware of the identities of the vendors of the HKEX Shares and the China Mobile Shares and accordingly, to the best of the knowledge of the directors having made all reasonable enquiries, the vendors of the HKEX Shares and the China Mobile Shares are third parties independent of the Company and connected persons (as defined in the Listing Rules) of the Company, its subsidiaries and their respective associates.

Where Further Investments in each of the HKEX Shares or the China Mobile Shares, when aggregated with each the Investments each of the HKEX Shares or the China Mobile Shares in accordance with the Listing Rules, constitute a major or other type of notifiable transaction under the Listing Rules, the Company will comply with the relevant requirements of the Listing Rules.

## **REASONS FOR THE INVESTMENTS**

The Company carries on the principal business in garment sourcing and export, property investment, investment in securities and loan financing.

The directors of the Company considered that the Investments would enhance the returns on cash for the Company. The source of funding for the Investments were from internal cash resources of the Company. Taking into account the track record of HKEX and China Mobile, the Company considered that the Investments had potential. In addition, as the Investments were purchased at market price, the Board believed that the Investments were fair and reasonable and in the interests of the shareholders of the Company as a whole. The Investments of the HKEX Shares will be booked as long term investments by the Company whilst the Investments of the China Mobile Shares will be booked as short term investments by the Company.

### **INFORMATION ON HKEX**

HKEX is a company incorporated in Hong Kong with limited liability and whose shares are listed on the main board of the Stock Exchange. Based on the company profile in the website of the Stock Exchange, HKEX owns and operates the only stock exchange and futures exchange in Hong Kong, and their related clearing houses.

Further information on HKEX could be found on the Stock Exchange website. Based on the interim report of HKEX as at 30 June, 2007, the unaudited net asset value of HKEX was HK\$8,177,464,000, while the unaudited net asset value of HKEX attributed to the Investments was approximately HK\$1,619,138. According to the annual reports of HKEX for the years ended 31 December, 2006 and 31 December, 2005 respectively, the net profits from ordinary activities before and after taxation were HK\$2,963,467,000 and HK\$1,567,018,000 and HK\$2,518,569,000 and HK\$1,339,558,000 respectively.

### **INFORMATION ON CHINA MOBILE**

China Mobile is a company incorporated in Hong Kong with limited liability and listed on the main board of the Stock Exchange. Based on the company profile in the website of the Stock Exchange, China Mobile's principal business is the provision of mobile communications and related services in the People's Republic of China.

Further information on China Mobile could be found on the Stock Exchange website. Based on the Interim Report of China Mobile as at 30 June, 2007, the unaudited net asset value of China Mobile was RMB376,489 millions (equivalent to approximately HK\$387,407 millions), while the unaudited net asset value of China Mobile attributed to the Investments was approximately RMB10,767,585 (equivalent to approximately HK\$11,079,845). According to the annual reports of China Mobile for the years ended 31 December, 2006 and 31 December, 2005 respectively, the net profits from ordinary activities before and after taxation were RMB96,908 millions and RMB78,264 millions and RMB66,114 millions and RMB53,589 millions respectively.

## **GENERAL**

In regard to the investment in HKEX Shares on 8 October, 2007, one of the results of the percentage ratios under Chapter 14 of the Listing Rules exceeds 5% but is less than 25%. In regard to the investments in China Mobile Shares for the period from 13 July to 8 October, 2007, one of the results of the percentage ratios under Chapter 14 of the Listing Rules also exceeds 5% but is less than 25%. The two Investments therefore, constitute two discloseable transactions of the Company under rule 14.06(2) of the Listing Rules. A circular providing the information required under the Listing Rules will be dispatched to shareholders in due course after the publication of this Announcement.

As at the date of this announcement, the Board comprises Mr. Tse Wing Chiu, Ricky, Ms. Lui Yuk Chu and Mr. Kwong Jimmy Cheung Tim as executive directors and Mr. Wong Sui Wah, Michael, Mr. Tsui Chun Kong and Mr. Jong Koon Sang as independent non-executive directors.

## **TERMS USED IN THIS ANNOUNCEMENT**

“China Mobile”	China Mobile Limited, whose shares are listed on the main board of the Stock Exchange (Stock code: 941)
“China Mobile Shares”	shares of HK\$0.10 each in the share capital of China Mobile which are listed on the Stock Exchange and traded in Hong Kong dollars
“Company”	Easyknit International Holdings Limited, an exempted company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange
“Board”	the board of directors of the Company
“Further Investments”	further investments by the Company from the market of HKEX Shares and China Mobile Shares
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKEX”	Hong Kong Exchanges and Clearing Limited, whose shares are listed on the main board of the Stock Exchange (Stock code: 388)
“HKEX Shares”	shares of HKD1.00 each in the share capital of HKEX which are listed on the Stock Exchange and traded in Hong Kong dollars

“Hong Kong”	Hong Kong Special Administrative Region
“Investments”	depending on the context, (i) the investments by the Company from the market of an aggregate of 212,000 HKEX Shares on 8 October, 2007; and/or (ii) the investments by the Company from the market of an aggregate of 572,000 China Mobile Shares during the period from 13 July, 2007 to 8 October, 2007
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“RMB”	Renminbi, the lawful currency of the People’s Republic of China
“Stock Exchange”	the Stock Exchange of Hong Kong Limited

For and on behalf of  
**Easyknit International Holdings Limited**  
**Tse Wing Chiu, Ricky**  
*President and Chief Executive Officer*

Hong Kong, 10 October, 2007

*\* For identification only*