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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 DISPOSAL OF SECURITIES OF PING AN INSURANCE (GROUP) CO. OF CHINA, LTD.

The Group disposed on-market a total of 607,800 PAI Shares in a series of transactions over the period from 7 August 2018 to 20 August 2018, at an average price of approximately HK\$71.26 per PAI Share and yielded an aggregate gross sale proceeds of HK\$43,309,400 (excluding transaction costs). After the Disposal, no PAI Shares are owned by the Group.

As one or more of the applicable percentage ratios in respect of the Disposal exceeds 5% but are less than 25%, the Disposal constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules, and is therefore subject to the reporting and announcement requirements under the Listing Rules.

THE DISPOSAL

The Group disposed on-market a total of 607,800 PAI Shares in a series of transactions conducted during the period from 7 August 2018 to 20 August 2018, at an average price of approximately HK\$71.26 per PAI Share and yielded an aggregate gross sale proceeds of HK\$43,309,400 (excluding transaction costs). After the Disposal, no PAI Shares are owned by the Group.

As the Disposal was made on the market, the Company is not aware of the identities of the purchasers of the PAI Shares. To the best of the knowledge, information and belief of the Directors, the purchasers of the PAI Shares and/or their ultimate beneficial owners are Independent Third Parties.

Assets disposed

The Group disposed of 607,800 PAI Shares, representing approximately 0.0033% of the issued share capital of PAI (based on the 18,280,241,410 PAI Shares as at 31 July 2018 according to publicly available information).

Consideration

The aggregate gross sale proceeds of the Disposal is HK\$43,309,400 (excluding transaction costs) was receivable in cash on settlement. The price for the Disposal represented the market price of the PAI Shares at the time of the Disposal.

** for identification purposes only*

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Group's principal businesses are property investment, property development, securities investment and loan financing.

The purpose of the Disposal is to improve liquidity for the Group. As a result of the Disposal, the Group is expected to recognize a loss of approximately HK\$6,686,000 (excluding transaction costs), which is calculated on the basis of the difference between the total acquisition costs and the aggregate gross sale proceeds (excluding 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 are of the view that the Disposal would enhance the liquidity of the Company and was fair and reasonable, on normal commercial terms and in the interests of the Company and its Shareholders as a whole.

INFORMATION ON PAI

According to publicly available information, PAI is a company incorporated in the PRC and its H shares are listed and traded on the Stock Exchange (Stock Code: 2318) and its A shares are listed and traded on The Shanghai Stock Exchange (Stock Code: 601318). The business of PAI includes investing in financial and insurance enterprises as well as managing various domestic and overseas businesses of its subsidiaries, and controlled funds. PAI group mainly provides integrated financial products and services and is engaged in life insurance, property and casualty insurance, trust, securities, banking and other businesses.

The following information is extracted from the annual report 2017 and interim results announcement of PAI:

	For the six months ended 30 June 2018	For the year ended 31 December	
	<i>RMB million (unaudited)</i>	<i>2017 RMB million (audited)</i>	<i>2016 RMB million (audited)</i>
Profit before taxation	86,763	134,740	94,411
Profit after taxation	64,770	99,978	72,368

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios in respect of the Disposal exceeds 5% but are less than 25%, the Disposal constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms have the following meanings:

“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 main board of Stock Exchange (Stock Code: 1218);
“Director(s)”	director(s) of the Company;
“discloseable transaction”	as defined in the Listing Rules;
“Disposal”	the disposal by the Group for a total of 607,800 PAI Shares over the period from 7 August 2018 to 20 August 2018 and yielded an aggregate gross sale proceeds of HK\$43,309,400 (excluding transaction costs);
“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 Parties”	third parties independent of the Company and connected persons of the Company;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“PAI”	Ping An Insurance (Group) Company of China, Ltd.;
“PAI H Share(s)”	H share(s) of RMB1.00 each in the share capital of PAI which is/are listed on the Stock Exchange and traded in Hong Kong dollars (Stock Code: 2318);
“percentage ratios”	as defined in the Listing Rules;
“PRC”	the People’s Republic of China;
“Shareholder(s)”	holder(s) of shares of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and

“0%”

per cent.

By Order of the Board
Easyknit International Holdings Limited
Tse Wing Chiu Ricky
President and Chief Executive Officer

Hong Kong, 22 August 2018

As at the date hereof, the Board comprises Mr. Tse Wing Chiu Ricky, Ms. Lui Yuk Chu and Ms. Koon Ho Yan Candy as executive directors; and Mr. Tsui Chun Kong, Mr. Jong Koon Sang and Mr. Hon Tam Chun as independent non-executive directors.