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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 ACQUISITION OF LISTED SECURITIES

The Group acquired on-market the Acquired Shares in a series of transactions conducted between 6 December 2012 and 10 December 2012 for an aggregate purchase price of approximately HK\$16,377,000 (exclusive of transaction costs).

The Acquisitions (in aggregate) constituted a discloseable transaction for the Company under Rule 14.06(2) of the Listing Rules.

THE ACQUISITIONS

The Board is pleased to announce that the Company, through its wholly-owned subsidiary, acquired on-market the Acquired Shares (ie. an aggregate of 4,413,000 PICC Shares, representing approximately 0.0108% of the entire issued share capital of PICC at the date of this announcement), in a series of transaction conducted between 6 December 2012 and 10 December 2012, at the price between HK\$3.48 and HK\$3.77 per PICC Share (exclusive of transaction costs). The average price (exclusive of transaction costs) for the acquisition of each PICC Shares was approximately HK\$3.71. The aggregate purchase price of the Acquired Shares (exclusive of transaction costs) is approximately HK\$16,377,000, which was paid/payable by the Company in cash. The purchase price paid by the Company represented the then market price of the PICC Shares and was paid/payable from the Company's internal resources.

As the Acquisitions were made through the market, the Company was not aware of the identities of the sellers of the Acquired Shares and accordingly, to the best knowledge, information and belief of the Directors having made all reasonable enquiries, the sellers of the Acquired Shares are Independent Third Parties.

ACQUISITION AND DISPOSAL OF THE PICC SHARES IN THE PAST 12 MONTHS IMMEDIATELY PRECEDING THE DATE OF THIS ANNOUNCEMENT

Save as aforesaid, the Group did not acquire or dispose any PICC Shares within the period of 12 months immediately preceding the date of this announcement.

REASONS FOR AND BENEFITS OF THE ACQUISITIONS

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

** for identification only*

Having considered the recent performance of PICC, the Company considers that the PICC Shares are an attractive investment and can enhance the returns on cash for the Company.

As the Acquisitions was made at market price, the Directors (including the independent non-executive Directors) are of the view that the Acquisitions were fair and reasonable, on normal commercial terms and in the interests of the Company and its Shareholders as a whole.

INFORMATION ON PICC

PICC is a company incorporated in the People's Republic of China and the shares of which are listed and traded on the main board of the Stock Exchange (stock code: 1339). PICC is principally engaged in offering a brand range of insurance products and services to individual and institutional customers.

The following information is extracted respectively from the prospectus of PICC for the two financial years ended 31 December 2011:

	For the year ended 31 December	
	2011	2010
	<i>RMB million</i>	<i>RMB million</i>
Revenue	236,291	219,856
Profit before taxation	10,210	7,528
Net profit after taxation attributable to shareholders of PICC	7,897	5,847

GENERAL

The Acquisitions 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:

“Acquired Shares”	an aggregate of 4,413,000 PICC Shares
“Acquisitions”	the acquisition of the Acquired Shares by the Group
“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 Stock Exchange

“PICC”	The People’s Insurance Co. (Group) of China Limited, a company incorporated in the People’s Republic of China with limited liability and the shares of which are listed and traded on the main board of Stock Exchange (stock code: 1339)
“PICC Shares”	the ordinary share(s) of RMB1.00 each in the share capital of PICC
“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
“Independent Third Party”	third party(ies) independent of the Company and connected persons of the Company
“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\$0.10 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 International Holdings Limited
Kwong Jimmy Cheung Tim
President and Chief Executive Officer

Hong Kong, 12 December 2012

As at the date hereof, 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. Tsui Chun Kong, Mr. Jong Koon Sang and Mr. Hon Tam Chun as independent non-executive directors.