

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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, through its wholly-owned subsidiaries, acquired on the market a total of 8,040,000 VCIH Shares on 23 October 2014 for a purchase price of approximately HK\$9,581,000 (exclusive of transaction costs).

Certain applicable percentage ratios under Chapter 14 of the Listing Rules in relation to this Acquisition or when aggregated with the Previous Acquisition exceeds 5% but are less than 25%. Accordingly, the Acquisition or when aggregated with the Previous Acquisition constitutes a discloseable transaction of the Company for the purposes of Rule 14.06(2) of the Listing Rules. This announcement is made pursuant to the Listing Rules in respect of the Acquisition and the Previous Acquisition.

THE ACQUISITION

On 23 October 2014, the Group, through its wholly-owned subsidiaries, acquired on the market of 8,040,000 VCIH Shares (together with the Previous Acquisition of 5,958,555 VCIH Shares representing approximately 0.80% of the issued share capital of VCIH based on its issued share capital of 1,748,682,605 shares on 30 September 2014). The purchase price of the Acquisition was approximately HK\$9,581,000 (exclusive of transaction costs) represented the then market price of the VCIH Shares and was payable from the Company's internal resources.

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

REASONS FOR AND BENEFITS OF THE ACQUISITION

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

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

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

** for identification only*

INFORMATION ON VCIH

VCIH is a limited company incorporated in Bermuda and the shares of which are listed and traded on the main board of the Stock Exchange (stock code: 0539). VCIH is principally engaged in the production and sale of knitted fabric and dyed yarn and garment products.

The following information is extracted from the annual report of VCIH for the two financial years ended 31 March 2014:

	For the year ended 31 March	
	2014	2013
	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	5,371,883	4,085,368
Profit before taxation	293,019	231,327
Net profit after taxation attributable to shareholders of VCIH	282,178	207,815

GENERAL

Certain applicable percentage ratios under Chapter 14 of the Listing Rules in relation to this Acquisition or when aggregated with the Previous Acquisition exceeds 5% but are less than 25%. Accordingly, the Acquisition or when aggregated with the Previous Acquisition constitutes a discloseable transaction of the Company for the purposes of Rule 14.06(2) of the Listing Rules. This announcement is made pursuant to the Listing Rules in respect of the Acquisition and the Previous Acquisition.

To the extent that any Further Acquisitions after 23 October 2014 constitute a discloseable transaction, the Company will comply with the relevant disclosure requirements for discloseable transaction under the Listing Rules. In addition, any Further Acquisitions when aggregated with the Acquisition and Previous Acquisition pursuant to the Listing Rules exceed the threshold for a major transaction or a very substantial acquisition, the Company will comply with the relevant requirements under the Listing Rules.

DEFINITIONS

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

“Acquisition”	the acquisition by the Group on the market of 8,040,000 VCIH Shares on 23 October 2014
“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
“VCIH”	Victory City International Holdings Limited, a company the shares of which are listed on the main board of Stock Exchange (stock code: 0539)

“VCIH Shares”	the ordinary share(s) of HK\$0.01 each in the share capital of VCIH
“Director(s)”	director(s) of the Company
“discloseable transaction”	as defined in the Listing Rules
“Further Acquisitions”	any further acquisitions by the Company in VCIH Shares after 23 October 2014
“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
“Previous Acquisition”	the acquisition during the past 12 months by the Group by acquiring on the Stock Exchange of an aggregate of 5,080,000 VCIH Shares; and a total of 878,555 VCIH Shares taken up under the scrip dividend alternative plan of VCIH in the year 2013/14
“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, 24 October 2014

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 and Mr. Lai Law Kau as non-executive directors; and Mr. Tsui Chun Kong, Mr. Jong Koon Sang and Mr. Hon Tam Chun as independent non-executive directors.