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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, through its wholly-owned subsidiary, acquired on the market of 4,000,000 CSCE Shares on 3 June 2015 at a purchase price of HK\$6,800,000 (exclusive of transaction costs).

The Acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules, as one of the applicable percentage ratios exceeds 5% but is less than 25%.

THE ACQUISITION

On 3 June 2015, the Group, through its wholly-owned subsidiary, acquired on the market of 4,000,000 CSCE Shares, representing approximately 0.12% of the issued share capital of CSCE based on its issued share capital of 3,423,840,000 shares on 31 May 2015. The purchase price of the Acquisition was HK\$6,800,000 (exclusive of transaction costs) represented the then market price of the CSCE 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 CSCE Shares and accordingly, to the best knowledge, information and belief of the Directors having made all reasonable enquiries, the sellers of the CSCE 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 CSCE, the Company considers that the acquisition of CSCE Shares is 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 purposes only*

INFORMATION ON CSCE

CSCE is a limited company incorporated in the Cayman Islands and the shares of which are listed and traded on the main board of the Stock Exchange (stock code: 1966). CSCE is principally engaged in property development, property investment and property management in the PRC.

The following information is extracted from the annual report of CSCE for the year ended 31 December 2014:

	For the year ended 31 December	
	2014	2013
	RMB'000	RMB'000
Revenue	6,887,392	6,588,124
Profit before taxation	2,539,089	1,905,342
Net profit after taxation attributable to shareholders of CSCE	1,567,041	1,174,264

GENERAL

The Acquisition 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:

“Acquisition”	the acquisition by the Group on the market of 4,000,000 CSCE Shares on 3 June 2015
“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
“CSCE”	China SCE Property Holdings Limited, a company the shares of which are listed on the main board of Stock Exchange (stock code: 1996)
“CSCE Shares”	the ordinary share(s) of HK\$0.10 each in the share capital of CSCE
“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
“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, 5 June 2015

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.