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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 LISTED SECURITIES

The Group disposed on-market the A50 Units in a series of transactions conducted between 29 April 2016 and 3 May 2016, at a price between HK\$10.02 and HK\$10.06 per A50 Units for an aggregate gross sale proceeds of HK\$20,080,000 (exclusive of transaction costs).

The Disposal 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 DISPOSAL

The Group disposed on-market the A50 Units in a series of transactions conducted between 29 April 2016 and 3 May 2016, at a price between HK\$10.02 and HK\$10.06 per A50 Units for an aggregate gross sale proceeds of HK\$20,080,000 (exclusive of transaction costs).

As the Disposal was made on the market, the Company is not aware of the identities of the purchasers of the A50 Units. To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, each of the purchasers of the A50 Units and their ultimate beneficial owners are third parties independent of the Company and its connected persons (as defined in the Listing Rules).

Assets disposed

The Group disposed of 2,000,000 A50 Units, representing approximately 0.0672% of the issued units of A50 Units (based on the 2,976,000,000 A50 Units as at 30 April 2016 according to publicly available information).

Consideration

The aggregate gross sale proceeds of the Disposal is HK\$20,080,000 (excluding transaction costs), which is receivable in cash on settlement. The consideration for the Disposal represented the market price of the A50 Units at the time of the Disposal.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Group's principal businesses are property investment, property development, securities investment and money lending.

** for identification purposes only*

The purpose of the Disposal is to obtain a balanced securities investment portfolio. As a result of the Disposal, the Group is expected to recognize a gain of HK\$76,800 which is calculated on the basis of the difference between the acquisition price and the disposal price (exclusive of the 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 (including the independent non-executive Directors) are of the view that the Disposal will enhance the liquidity of the Company, was fair and reasonable, on normal commercial terms and in the interests of the Company and its Shareholders as a whole.

INFORMATION ON A50

A50 is the second index fund of a trust known as iShares Asia Trust. It is a fund to track the performance of FTSE Index quoted in RMB and its fund manager is BlackRock Asset Management North Asia Limited. A50 Units are listed and traded on the main board of the Stock Exchange (stock code: 2823).

The following information is extracted from the 2015 annual report of A50:

	For the year ended 31 December	
	2015	2014
	<i>HK\$</i>	<i>HK\$</i>
Revenue	372,550,523	39,008,078,666
Profit / (Loss) before taxation	(1,242,982,916)	37,293,192,585
Net profit / (loss) after taxation attributable to unitholders of A50	(1,362,987,584)	37,076,495,889

GENERAL

The Disposal 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%.

DEFINITIONS

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

“A50”	iShares FTSE A50 China Index ETF and its units are listed on the main board of Stock Exchange (stock code: 2823). A50 is the second index fund of a trust known as iShares Asia Trust; and BlackRock Asset Management North Asia Limited is the fund manager
“A50 Units”	units listed on the Stock Exchange and traded in Hong Kong dollars
“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

“Director(s)”	director(s) of the Company
“discloseable transaction”	as defined in the Listing Rules
“Disposal”	the disposal by the Company, through its wholly-owned subsidiary, of a total of 2,000,000 A50 Units on the market for the period from 29 April 2016 to 3 May 2016 for a gross sale proceeds of HK\$20,080,000
“FTSE”	FTSE International Limited
“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, 10 May 2016

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.