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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)

MAJOR TRANSACTION DISPOSAL OF SECURITIES OF INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED

The Group disposed on-market a total of 12,007,100 ICBC Shares in a transaction conducted during the period from 12 December 2016 to 20 December 2016, at an average price of HK\$4.69 per ICBC Share for a gross sale proceeds of approximately HK\$56,311,000 (exclusive of transaction costs).

The Disposal standing alone constitutes a discloseable transaction under Rule 14.06(2) of the Listing Rules as the certain applicable percentage ratios of the Disposal exceed 5% but are less than 25%. But when the Disposal aggregated with the Previous DT Disposal (details of which were set out in the Company's announcement dated 4 July 2016), the aggregate will become a major transaction under the Listing Rules, which is subject to the reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

THE DISPOSAL

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As the Disposal was made on the market, the Company is not aware of the identities of the purchasers of the ICBC Shares. To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, each of the purchasers of the ICBC Shares 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 12,007,100 ICBC Shares, representing approximately 0.0034% of the issued shares of ICBC (based on the 356,406,257,089 ICBC Shares as at 30 November 2016 according to publicly available information).

Gross Sale Proceeds

The gross sale proceeds of the Disposal is approximately HK\$56,311,000 (excluding transaction costs), which was received in cash on settlement. The selling price for the Disposal and the Aggregate Disposals represented the market price of the ICBC 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 money lending business.

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 approximately HK\$2,035,000 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 Disposals 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.

AGGREGATE DISPOSALS

The total sales proceeds of the Aggregate Disposals for 18,927,500 ICBC Shares is approximately HK\$87,037,000 and is expected to recognize a gain of approximately HK\$2,761,000.

INFORMATION ON ICBC

ICBC is a joint-stock company incorporated in the PRC with limited liability and the H shares of which are listed on the main board of the Stock Exchange (Stock Code: 1398). According to its company profile made available on the internet, ICBC provides corporate and personal banking, treasury operations, investment banking, asset management, trust, financial leasing and other financial services.

The following information is extracted from the third quarter and annual reports of ICBC:

	For the nine months ended 30 September 2016	For the year ended 31 December	
	<i>RMB million</i>	2015	2014
		<i>RMB million</i>	<i>RMB million</i>
Revenue	484,015	668,733	634,858
Profit before taxation	289,866	363,235	361,612
Net profit after taxation attributable to shareholders of ICBC	222,792	277,131	275,811
Total assets	23,646,472	22,209,780	20,609,953

LISTING RULES IMPLICATIONS

The Disposal standing alone constitutes a discloseable transaction under Rule 14.06(2) of the Listing Rules as the certain applicable percentage ratios of the Disposal exceed 5% but are less than 25%. But when the Disposal aggregated with the Previous DT Disposal (details of which were set out in the Company's announcement dated 4 July 2016), the aggregate will become a major transaction under the Listing Rules, which is subject to the reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

WRITTEN SHAREHOLDERS' APPROVAL

Pursuant to Rule 14.44 of the Listing Rules, in lieu of a resolution to be passed at a general meeting of the Company, written approvals have been obtained from Sea Rejoice Limited and Magical Profits Limited on the Aggregate Disposals. Sea Rejoice Limited and Magical Profits Limited are the substantial shareholders of the Company with an aggregate interest in 46,609,144 Shares, representing approximately 58.69% of the issued share capital of the Company as at the date of this announcement. Sea Rejoice Limited which holds 17,429,664 Shares, representing approximately 21.95% of the issued shares of the Company, is wholly-owned by Ms. Lui Yuk Chu, the vice president and executive director of the Company. Magical Profits Limited, which holds 29,179,480 Shares, representing approximately 36.74% of the issued shares of the Company is wholly-owned by The Winterbotham Trust Company Limited as the trustee of The Magical 2000 Trust (the beneficiaries of which include Ms. Lui Yuk Chu and her family members (including Ms. Koon Ho Yan Candy, daughter of Ms. Lui Yuk Chu and an executive director of the Company) other than the spouse of Ms. Lui Yuk Chu). Sea Rejoice Limited and Magical Profits Limited are therefore a “closely allied group of shareholders” for the purpose of the Listing Rules.

As at the date of this announcement and to the best of the Directors' knowledge, information and belief, there is no Shareholder who has a material interest in the Disposal or Aggregate Disposals.

A circular containing, among other things, details of the Aggregate Disposals is expected to be despatched to the Shareholders on or before 18 January 2017 in accordance with the Listing Rules.

DEFINITIONS

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

“Aggregate Disposals”	the aggregate transaction of the Disposal and the Previous DT Disposal
“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 12,007,100 ICBC Shares on the market during the period from 12 December 2016 to 20 December 2016 for a gross sale proceeds of approximately HK\$56,311,000
“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

“ICBC”	Industrial and Commercial Bank of China Limited, a joint stock company incorporated in the PRC with limited liability, the H shares of which are listed on the main board of the Stock Exchange (Stock Code: 1398)
“ICBC Share(s)”	shares with a par value of HK\$1.00 each in the share capital of ICBC
“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
“major transaction”	as defined in the Listing Rules
“percentage ratios”	as defined in the Listing Rules
“PRC”	the People’s Republic of China
“Previous DT Disposal”	the disposal of 6,920,400 ICBC Shares on 23 June 2016 for an aggregate principal amount of approximately HK\$30,726,000 constitutes a discloseable transaction for the Company, details were set out in the Company’s announcement dated 4 July 2016
“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, 23 December 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.