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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 SECURITIES OF CHINA LIFE INSURANCE COMPANY LIMITED

The Group disposed on-market a total of 848,200 CLife Shares in a series of transactions conducted during the period from 28 February 2017 to 1 March 2017, at an average price of HK\$23.68 per CLife Share for an aggregate gross sale proceeds of approximately HK\$20,085,000 (excluding 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 is therefore subject to the reporting and announcement requirements under the Listing Rules.

THE DISPOSAL

The Group disposed on-market a total of 848,200 CLife Shares in a series of transactions conducted during the period from 28 February 2017 to 1 March 2017, at an average price of HK\$23.68 per CLife Share for an aggregate gross sale proceeds of approximately HK\$20,085,000 (excluding transaction costs).

As the Disposal was made on the market, the Company is not aware of the identities of the purchasers of the CLife Shares. To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, each of the purchasers of the CLife Shares and their ultimate beneficial owners are Independent Third Party.

Assets disposed

The Group disposed of 848,200 CLife Shares, representing approximately 0.0030% of the issued share capital of CLife (based on the 28,264,705,000 CLife Shares as at 28 February 2017 according to publicly available information).

Consideration

The aggregate gross sale proceeds of the Disposal is approximately HK\$20,085,000 (excluding transaction costs), which is receivable in cash on settlement. The price for the Disposal represented the market price of the CLife 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\$85,000 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 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 CLife

CLife 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: 2628). According to its company profile made available on the internet, CLife is principally engaged in providing life, annuities, accident and health insurance products in China.

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

| | For the nine months ended 30 September 2016 <i>RMB million</i> | For the year ended 31 December 2015 <i>RMB million</i> | 2014 <i>RMB million</i> |
|---|--|--|-----------------------------------|
| Revenue | 456,448 | 507,449 | 440,766 |
| Profit before taxation | 17,432 | 45,931 | 40,402 |
| Net profit after taxation Attributable to shareholders of CLife | 13,528 | 34,699 | 32,211 |
| Total assets | 2,681,156 | 2,448,315 | 2,246,567 |

GENERAL INFORMATION

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 is therefore subject to the reporting and announcement requirements under the Listing Rules.

DEFINITIONS

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

“Board” the board of Directors

| | |
|----------------------------|---|
| “CLife” | China Life Insurance Company 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: 2628) |
| “CLife Share(s)” | shares in the share capital of CLife |
| “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 |
| “Director(s)” | director(s) of the Company |
| “discloseable transaction” | as defined in the Listing Rules |
| “Disposal” | the disposal by the Group for a total of 848,200 CLife Shares during the period from 28 February 2017 to 1 March 2017 for a gross sale proceeds of approximately HK\$20,085,000 |
| “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 |
| “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 |

“0%”

per cent

By Order of the Board
Easyknit International Holdings Limited
Kwong Jimmy Cheung Tim
President and Chief Executive Officer

Hong Kong, 9 March 2017

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.