

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 ACQUISITIONS OF LISTED SECURITIES

The Group, through its wholly-owned subsidiary, acquired on the market of 74,193,277 VCIH Shares during the period from 21 December 2016 to 9 March 2017 for an aggregate purchase price of approximately HK\$19,386,000 (exclusive of transaction costs).

The Acquisitions constitute 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 ACQUISITIONS

The Board is pleased to announce that the Group, through its wholly-owned subsidiary, acquired on-market a total of 74,193,277 VCIH Shares during the period from 21 December 2016 to 9 March 2017, at the price between HK\$0.25 and HK\$0.27 per VCIH Shares (exclusive of transaction costs). The average price (exclusive of transaction costs) for the acquisition of each VCIH Share was approximately HK\$0.26 and the aggregate purchase price (exclusive of transaction costs) is approximately HK\$19,386,000, which was the market price of the VCIH Shares paid in cash from internal resources of the Company.

As the Acquisitions were 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 ACQUISITIONS

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

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

As the Acquisitions were made at market price, the Directors (including the independent non-executive Directors) are of the view that the Acquisitions were 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 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: 539). 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 interim and annual reports of VCIH:

	For the six months ended 30 September 2016	For the year ended 31 March	
	<i>HK\$ million</i>	2016	2015
		<i>HK\$ million</i>	<i>HK\$ million</i>
Revenue	2,534,643	4,911,216	5,137,415
Profit before taxation	100,918	282,400	544,772
Net profit after taxation attributable to shareholders of VCIH	86,629	241,811	400,459
Total assets	11,185,055	10,799,123	10,069,054

GENERAL

The Acquisitions constitute 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:

“Acquisitions”	the acquisitions by the Group on the market of 74,193,277 VCIH Shares conducted during the period from 21 December 2016 to 9 March 2017 at an aggregate purchase price of approximately HK\$19,386,000
“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
“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
“VCIH”	Victory City International Holdings Limited, a company the shares of which are listed on the main board of Stock Exchange (Stock Code: 539)
“VCIH Shares”	the ordinary share(s) of HK\$0.01 each in the share capital of VCIH
“%”	per cent

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

Hong Kong, 15 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.