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EASYKNIT ENTERPRISES HOLDINGS LIMITED

永義實業集團有限公司*

(incorporated in Bermuda with limited liability)

(Stock Code: 0616)

DISCLOSEABLE TRANSACTION ACQUISITION OF LISTED SECURITIES

The Group, through its wholly-owned subsidiary, acquired on the market in a series of transaction conducted between 23 October 2014 and 18 August 2015 for a total of 8,782,000 VCIH Shares for an aggregate purchase price of approximately HK\$11,710,000 (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

The Group, through its wholly-owned subsidiary, acquired on the market in a series of transaction conducted between 23 October 2014 and 18 August 2015 for a total of 8,782,000 VCIH Shares (which represents 0.47% of the issued share capital of VCIH) at an aggregate purchase price of approximately HK\$11,710,000 (exclusive of transaction costs). The aggregate purchase price of the Acquisition represented the then market price of the VCIH 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 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 ACQUISITION

The Group's principal activities are property investment, property development, garment and sourcing businesses, investment in securities and loan financing.

Having considered the recent performance of VCIH, the Company considers that the VCIH Shares are 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 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: 0539). 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 annual report of VCIH for the two financial years ended 31 March 2015:

	For the year ended 31 March	
	2015	2014
	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	5,137,415	5,371,883
Profit before taxation	544,772	293,019
Net profit after taxation attributable to shareholders of VCIH	400,459	277,389

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 8,782,000 VCIH Shares conducted between 23 October 2014 and 18 August 2015
“Board”	the board of Directors
“Company”	Easyknit Enterprises 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\$0.01 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: 0539)
“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 Enterprises Holdings Limited
Kwong Jimmy Cheung Tim
President and Chief Executive Officer

Hong Kong, 1 September 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. Kan Ka Hon, Mr. Lau Sin Ming and Mr. Foo Tak Ching as independent non-executive directors.