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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 ACQUISITION OF LISTED SECURITIES

The Group acquired 11,007,100 shares of ICBC on 25 January 2016 which is the final valuation date of the ELN of ICBC.

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

With reference to the Company's announcement dated 13 November 2015, the Group, through its wholly-owned subsidiary, purchased an ELN of ICBC for a principal amount of HK\$50,000,000 on 11 November 2015. Since the closing share price of ICBC on the final valuation date is HK\$3.95 which was below the strike price of the ELN, the Group is obligated to acquire the 11,007,100 shares of ICBC at the strike price according to the terms of the ELN.

Summary of ELN Terms

- | | |
|--------------------------|------------------|
| 1. Trade date: | 11 November 2015 |
| 2. Issuer: | BNP Paribas |
| 3. Linked equity | ICBC |
| 4. Principal amount: | HK\$50,000,000 |
| 5. Issue price: | HK\$4.77 |
| 6. Strike price: | HK\$4.5425 |
| 7. Final valuation date: | 25 January 2016 |
| 8. Maturity date: | 1 February 2016 |

REASONS AND BENEFITS OF THE ACQUISITION

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

** for identification purposes only*

The ELN has a coupon rate of 15% per annum and the Company has received a total of HK\$1,250,000 interest up to the maturity date. For the Acquisition, the Group shall have an unrealised loss of approximately HK\$6,522,000 on the maturity of the ELN (which is calculated from the difference between the closing price at the final valuation date and the strike price of 11,007,100 shares); but the Directors believe that the Acquisition in the long run is in themselves an attractive investment likely to yield attractive returns.

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

The Directors (including the non-executive Directors) are of the view that the Acquisition is fair and reasonable, on a normal commercial terms, and in the interest of the Company and its Shareholders as a whole.

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 2015	For the year ended 31 December	
	<i>RMB million</i>	2014	2013
		<i>RMB million</i>	<i>RMB million</i>
Revenue	167,096	634,858	578,901
Profit before taxation	95,843	361,612	338,537
Net profit after taxation			
attributable to shareholders of ICBC	72,740	275,811	262,649
Total assets	22,104,917	20,609,953	18,917,752

LISTING RULES IMPLICATIONS

As certain size percentage ratios (as set out in Rule 14.07) of the Listing Rules of the Acquisition exceeds 5% but are less than 25%, the Acquisition constitutes a discloseable transaction of the Company under Chapter 14 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 Acquisition.

DEFINITIONS

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

“Acquisition”	the acquisition of 11,007,100 shares of ICBC by the Company through its wholly-owned subsidiary on 25 January 2016 (ie. on the final valuation date of the ELN)
“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
“ELN”	an equity linked note issued by BNP Paribas Limited issued to Ace Winner Investment Limited, a wholly-owned subsidiary 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
“ICBC”	Industrial and Commercial Bank of China Ltd, 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)
“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

“0/0”

per cent

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

Hong Kong, 1 February 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.