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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**

### **DISPOSALS OF PING AN SHARES**

#### **THE DISPOSALS**

The Company, through Ace Winner, a wholly-owned subsidiary of the Company, disposed on-market a total of 183,960 Ping An Shares in a series of transactions conducted during the period from 7 January 2021 to 8 January 2021, at an average price of approximately HK\$95.27 per Ping An Share for an aggregate gross sale proceeds of approximately HK\$17,526,000 (excluding transaction costs). After the Disposals, the Group no longer owns any Ping An Shares.

#### **LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Disposals exceed(s) 5% but are less than 25%, the Disposals constitute a discloseable transaction of the Company and are therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

#### **THE DISPOSALS**

Reference is made to the announcement of the Company dated 15 July 2020 in relation to the purchase of an ELN of Ping An through Ace Winner, a wholly-owned subsidiary of the Company. Unless otherwise stated, capitalized terms used herein shall have the same meanings as those defined in the Announcement.

Ace Winner purchased an ELN of Ping An on 15 July 2020 for a principal amount of HK\$15,000,000 (exclusive of transaction costs) and the major terms of the ELN of Ping An are as follows:

#### **Major Terms of ELN**

- |    |                       |                                      |
|----|-----------------------|--------------------------------------|
| 1. | Trade date:           | 15 July 2020                         |
| 2. | Issuer:               | J.P. Morgan Structured Products B.V. |
| 3. | Linked equity:        | Ping An                              |
| 4. | Principal amount:     | HK\$15,000,000                       |
| 5. | Issue price:          | HK\$86.4446                          |
| 6. | Strike price:         | HK\$81.5345                          |
| 7. | Tenor:                | 2 months                             |
| 8. | Coupon rate:          | 15% per annum                        |
| 9. | First valuation date: | 31 August 2020                       |

10. Final valuation date: 29 September 2020
11. Maturity date: 8 October 2020

On 8 October 2020, the share price of Ping An closed below the strike price of HK\$81.5345 and Ace Winner was obliged to take delivery of 183,960 underlying Ping An Shares at the strike price of HK\$81.5345 according to the terms of the ELN. Ace Winner disposed on-market a total of 183,960 Ping An Shares in a series of transactions conducted during the period from 7 January 2021 to 8 January 2021 (the “**Disposals**”), at an average price of approximately HK\$95.27 per Ping An Share for an aggregate gross sale proceeds of approximately HK\$17,526,000 (excluding transaction costs).

As the Disposals were made through the market, the Company was not aware of the identities of the purchasers of Ping An Shares and accordingly, to the best knowledge, information and belief of the Directors having made all reasonable enquiries, the purchasers of Ping An Shares and their respective ultimate beneficial owner(s) (where applicable) are Independent Third Parties.

### **Assets disposed**

The Group disposed of 183,960 Ping An Shares, representing approximately 0.001% of the issued share capital of Ping An (based on the 18,280,241,410 Ping An Shares as at 31 December 2020 according to publicly available information). The book value of the Ping An Shares disposed by the Group as at 6 January 2021 was approximately HK\$14,999,000.

### **Consideration**

The aggregate gross sale proceeds of the Disposals were approximately HK\$17,526,000 (excluding transaction costs), which is receivable in cash on settlement. The price for the Disposals represented the market price of the Ping An Shares at the time of the Disposals.

### **REASONS AND BENEFITS OF THE DISPOSALS**

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

The purpose of the Disposals is to obtain a balanced securities investment portfolio. As a result of the Disposals, the Group is expected to recognize a gain of approximately HK\$2,527,000 which is calculated on the basis of the difference between the book value of the Ping An Shares disposed by the Group as at 6 January 2021 and the aggregate gross sale proceeds (excluding the transaction costs). The Group intends to use the proceeds of the Disposals for the general working capital of the Group.

The Disposals were made at prevailing market price and the Directors (including the independent non-executive Directors) are of the view that the Disposals could enhance the liquidity of the Company, were fair and reasonable, on normal commercial terms and in the interests of the Company and its Shareholders as a whole.

### **INFORMATION ON PING AN**

According to publicly available information, Ping An is a joint-stock company incorporated in the PRC with limited liability and its H shares are listed on the main board of the Stock Exchange (stock code: 2318). Ping An is a personal financial services provider which provides insurance, banking, investment, and internet finance products and services. Ping An operates its businesses through four segments. The insurance segment provides life insurance and property insurance, including term, whole-life, endowment, annuity, automobile and health insurance. The banking segment is engaged in loan and intermediary businesses with corporate customers and retail business. The assets management segment is engaged in security, trust and other assets management businesses, including investment, brokerage, trading and asset management services. The internet financing segment is engaged in the provision of internet finance products and services.

The following information is extracted from the public documents of Ping An:

	<b>For the nine months ended 30 September 2020</b>	<b>For the year ended 31 December 2019</b>	<b>For the year ended 31 December 2018</b>
	<i>RMB million (unaudited)</i>	<i>RMB million (audited)</i>	<i>RMB million (audited)</i>
Total assets	9,138,318	8,222,929	7,142,960
Profit before tax	137,373	184,739	163,151
Profit for the period/year	114,892	164,365	120,452
Net profit attributable to shareholders of Ping An	103,041	149,407	107,404

As extracted from the announcement of unaudited results of Ping An for the nine months ended 30 September 2020, the total assets value of Ping An was approximately RMB9,138,318 million as of 30 September 2020.

## **INFORMATION ON THE GROUP AND ACE WINNER**

The Company is an investment holding company incorporated in Bermuda with limited liability, the shares of which are listed on the main board of the Stock Exchange (Stock Code: 1218). The Group is principally engaged in property investment, property development, securities investment and loan financing business.

Ace Winner, a wholly-owned subsidiary of the Company, is incorporated under the laws of Hong Kong with limited liability. The principal business of Ace Winner is investment holding.

## **LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Disposals exceed(s) 5% but are less than 25%, the Disposals constitute a discloseable transaction of the Company and are therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

By Order of the Board  
**Easyknit International Holdings Limited**  
**Koon Ho Yan Candy**  
*President and Chief Executive Officer*

Hong Kong, 12 January 2021

*As at the date hereof, the Board comprises Ms. Koon Ho Yan Candy, Ms. Lui Yuk Chu and Mr. Tse Wing Chiu Ricky as executive Directors; and Mr. Tsui Chun Kong, Mr. Jong Koon Sang and Mr. Lau Chak Hang Charles as independent non-executive Directors.*