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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

ACQUISITIONS OF LISTED SECURITIES

THE ACQUISITIONS

The Company, through Ace Winner, a wholly-owned subsidiary of the Company, acquired on-market a total of 220,000 Alibaba Shares during the Relevant Period for an aggregate purchase price of approximately HK\$53,752,000 (exclusive of transaction costs) (equivalent to an average price of approximately HK\$244.33 per Acquired Share).

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Acquisitions exceed(s) 5% but are less than 25%, the Acquisitions 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 ACQUISITIONS

The Board is pleased to announce that the Company, through Ace Winner, a wholly-owned subsidiary of the Company, acquired on-market a total of 220,000 Alibaba Shares during the Relevant Period. The average price (exclusive of transaction costs) for acquiring each of the Alibaba Share(s) was approximately HK\$244.33 and the aggregate purchase price (exclusive of transaction costs) was approximately HK\$53,752,000, which was the market price of the Alibaba Shares. The aggregate purchase price was paid in cash from internal resources of the Group.

** for identification purposes only*

The average purchase price of approximately HK\$244.33 per Acquired Share represents:

- (i) a premium of approximately 0.38% to the closing price of HK\$243.40 per Alibaba Share as quoted on the Stock Exchange on 15 July 2020;
- (ii) a discount of approximately 2.67% to the average of the closing prices of the Alibaba Shares as quoted on the Stock Exchange for the last five (5) consecutive trading days up to including 15 July 2020 of approximately HK\$251.04 per Alibaba Share; and
- (iii) a premium of approximately 2.40% to the average of the closing prices of the Alibaba Shares as quoted on the Stock Exchange for the last ten (10) consecutive trading days up to including 15 July 2020 of approximately HK\$238.60 per Alibaba Share.

Immediately prior to the Acquisitions, the Company did not hold any Alibaba Shares. Following the Acquisitions, which Ace Winner acquired a total of 220,000 Alibaba Shares, the Company holds a total of 220,000 Alibaba Shares, representing approximately 0.001% of the total issued share capital of Alibaba.

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

REASONS FOR AND BENEFITS OF THE ACQUISITIONS

The Group's principal businesses are property investment, property development, securities investment and loan financing business.

The Acquisitions are in align with the Group's principal business on securities investments and having considered the recent performance of Alibaba, the Company considers that the Acquisitions are an attractive investment and can enhance the returns on cash for the Group.

As the Acquisitions were made at market price, the Board is of the view that the Acquisitions are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

INFORMATION ON ALIBABA

According to publicly available information, Alibaba is a holding company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange (stock code: 9988). Alibaba provides the technology infrastructure and marketing reach to help merchants, brands and other businesses to leverage the power of new technology to engage with users and customers to operate. Alibaba operates four business segments. The core commerce segment provides China retail, China wholesale, international retail, international wholesale, Cainiao logistics services and local consumer services through Taobao Marketplace and Tmall. The cloud computing segment provides complete suite of cloud services, including database, storage, network virtualization services, big data analytics and others. The digital media and entertainment segment provides consumer services beyond the core business operations. The innovation initiatives and others segment is to innovate and deliver new services and products.

The following information is extracted from the public documents of Alibaba:

	For the year ended 31 March	
	2020	2019
	<i>RMB'million</i>	<i>RMB'million</i>
Revenue	509,711	376,844
Income before income tax and share of results of equity investees	166,645	96,221
Net income attributable to ordinary shareholders of Alibaba	149,263	87,600

As extracted from the fiscal year 2020 annual report of Alibaba, the net assets value of Alibaba was approximately RMB879,651,000,000 as of 31 March 2020.

INFORMATION ON ACE WINNER AND THE GROUP

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 Acquisitions exceed(s) 5% but are less than 25%, the Acquisitions constitute a discloseable transaction of the Company and are therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

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

“Ace Winner”	Ace Winner Investment Limited, a company incorporated in Hong Kong with limited liability, a wholly-owned subsidiary of the Company
“Acquired Share(s)”	a total of 220,000 Alibaba Shares acquired by Ace Winner on-market during the Relevant Period

“Acquisitions”	the acquisitions by Ace Winner on-market a total of 220,000 Alibaba Shares during the Relevant Period for an aggregate purchase price of approximately HK\$53,752,000 (exclusive of transaction costs)
“Alibaba”	Alibaba Group Holding Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange (stock code: 9988)
“Alibaba Share(s)”	ordinary share(s) of par value US\$0.000003125 each in the share capital of Alibaba
“Board”	the board of the 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 the Stock Exchange (Stock Code: 1218)
“Directors”	the directors of the Company
“discloseable transaction”	as defined in the Listing Rules
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	person(s) which, to the best knowledge and belief of the Directors having made all reasonable enquiries, is/are third parties independent of and not connected with the Company and its connected persons (as defined in the Listing Rules)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“Relevant Period”	the period from 8 July 2020 to 15 July 2020 (both dates inclusive)
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) of par value HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the shares of the Company

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	per cent.

By Order of the Board
Easyknit International Holdings Limited
Tse Wing Chiu Ricky
President and Chief Executive Officer

Hong Kong, 15 July 2020

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