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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 INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED SHARES

THE DISPOSALS

The Company, through Ace Winner, a wholly-owned subsidiary of the Company, disposed on-market a total of 3,100,000 ICBC Shares in a series of transactions conducted during the period from 24 February 2021 to 2 March 2021, at an average price of approximately HK\$5.24 per ICBC Share for an aggregate gross sale proceeds of approximately HK\$16,231,000 (excluding transaction costs). After the Disposals, the Group still owns 3,278,900 ICBC 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 24 June 2020 (the “**Announcement**”) in relation to the purchase of an ELN of ICBC 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 ICBC on 24 June 2020 for a principal amount of HK\$30,000,000 (exclusive of transaction costs) and the major terms of the ELN of ICBC are as follows:

Major Terms of ELN purchased on 24 June 2020

- | | | |
|-----|-----------------------|------------------------------|
| 1. | Trade date: | 24 June 2020 |
| 2. | Issuer: | BNP Paribas Hong Kong Branch |
| 3. | Linked equity: | ICBC |
| 4. | Principal amount: | HK\$30,000,000 |
| 5. | Issue price: | HK\$4.840 |
| 6. | Strike price: | HK\$4.703 |
| 7. | Tenor: | 2 months |
| 8. | Coupon rate: | 15% per annum |
| 9. | First valuation date: | 10 August 2020 |
| 10. | Final valuation date: | 8 September 2020 |
| 11. | Maturity date: | 15 September 2020 |

On 15 September 2020, the share price of ICBC closed below the strike price of HK\$4.703, and Ace Winner was obliged to take delivery of 6,378,900 underlying ICBC Shares according to the terms of the ELN. Ace Winner disposed on-market a total of 3,100,000 ICBC Shares in a series of transactions conducted during the period from 24 February 2021 to 2 March 2021 (the “Disposals”), at an average price of approximately HK\$5.24 per ICBC Share for an aggregate gross sale proceeds of approximately HK\$16,231,000 (excluding transaction costs).

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

Assets disposed

The Group disposed of 3,100,000 ICBC Shares, representing approximately 0.001% of the issued share capital of ICBC (based on the 356,406,257,089 ICBC Shares as at 31 January 2021 according to publicly available information). The aggregate book value of the ICBC Shares disposed by the Group as at 24 February 2021 and 2 March 2021 (the “Disposal Dates”) was approximately HK\$14,579,300.

Consideration

The aggregate gross sale proceeds of the Disposals were approximately HK\$16,231,000 (excluding transaction costs), which is receivable in cash on settlement. The price for the Disposals represented the market price of the ICBC 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\$1,651,700 which is calculated on the basis of the difference between the book value of the ICBC Shares disposed by the Group as at the Disposal Dates 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 ICBC

According to publicly available information, ICBC 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: 1398). ICBC is a China-based company principally engaged in the provision of banking and related financial services. Its principal activities comprise corporate and personal banking, treasury operations, investment banking, asset management, trust, financial leasing, insurance and other financial services.

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

	For the nine months ended 30 September 2020		For the year ended 31 December 2018
	<i>RMB million (unaudited)</i>	<i>RMB million (audited)</i>	<i>RMB million (audited)</i>
Total assets	33,471,851	30,109,436	27,669,540
Profit before taxation	284,126	391,789	372,413
Profit for the period/year	230,173	313,361	298,723
Net profit attributable to shareholders of ICBC	228,675	312,224	297,676

As extracted from the third quarterly report of ICBC for the nine months ended 30 September 2020, the total assets value of ICBC was approximately RMB33,471,851 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, 4 March 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.