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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 CHINA CONSTRUCTION BANK CORPORATION SHARES

THE DISPOSALS

The Company, through Ace Winner, a wholly-owned subsidiary of the Company, disposed on-market a total of 3,100,000 CCB 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\$6.33 per CCB Share for an aggregate gross sale proceeds of approximately HK\$19,635,000 (excluding transaction costs). After the Disposals, the Group still owns 2,053,370 CCB 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 17 July 2020 (the “**Announcement**”) and the transaction of the Company conducted on 28 July 2020 in relation to the purchase of ELNs of CCB 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 CCB on 16 July 2020 and 28 July 2020 for a principal amount of HK\$15,000,000 respectively (exclusive of transaction costs) and the major terms of the ELNs of CCB are as follows:

Major Terms of ELN purchased on 16 July 2020

1.	Trade date:	16 July 2020
2.	Issuer:	J.P. Morgan Structured Products B.V.
3.	Linked equity:	CCB
4.	Principal amount:	HK\$15,000,000
5.	Issue price:	HK\$6.1300
6.	Strike price:	HK\$5.9124
7.	Tenor:	2 months
8.	Coupon rate:	15% per annum
9.	First valuation date:	31 August 2020
10.	Final valuation date:	30 September 2020
11.	Maturity date:	9 October 2020

Major Terms of ELN purchased on 28 July 2020

1.	Trade date:	28 July 2020
2.	Issuer:	Credit Suisse International
3.	Linked equity:	CCB
4.	Principal amount:	HK\$15,000,000
5.	Issue price:	HK\$5.87
6.	Strike price:	HK\$5.7332
7.	Tenor:	2 months
8.	Coupon rate:	15% per annum
9.	First valuation date:	11 September 2020
10.	Final valuation date:	12 October 2020
11.	Maturity date:	19 October 2020

On 9 October 2020 and 19 October 2020, the share price of CCB closed below the strike price of HK\$5.9124 and HK\$5.7332 respectively, and Ace Winner was obliged to take delivery of 2,537,040 and 2,616,330 underlying CCB Shares according to the terms of the ELNs. Ace Winner disposed on-market a total of 3,100,000 CCB 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\$6.33 per CCB Share for an aggregate gross sale proceeds of approximately HK\$19,635,000 (excluding transaction costs).

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

Assets disposed

The Group disposed of 3,100,000 CCB Shares, representing approximately 0.001% of the issued share capital of CCB (based on the 250,010,977,486 CCB Shares as at 28 February 2021 according to publicly available information). The aggregate book value of the CCB Shares disposed by the Group as at 24 February 2021 and 2 March 2021 (the “**Disposal Dates**”) was approximately HK\$18,227,600.

Consideration

The aggregate gross sale proceeds of the Disposals were approximately HK\$19,635,000 (excluding transaction costs), which is receivable in cash on settlement. The price for the Disposals represented the market price of the CCB 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\$1,407,400 which is calculated on the basis of the difference between the book value of the CCB 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 CCB

According to publicly available information, CCB 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: 939). CCB is a commercial bank and operates its businesses in domestic and overseas markets through corporate banking businesses, including corporate deposit, corporate credit loan, asset custody, enterprise annuity, trading financing, international settlement, international financing and value-added services, among others, personal banking businesses, including personal deposit, loan, bank card services, private bank services, foreign exchange trading and gold trading services, among others, and capital business.

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

	For the nine months ended 30 September 2020	2019	For the year ended 31 December 2018
	<i>RMB million (unaudited)</i>	<i>RMB million (audited)</i>	<i>RMB million (audited)</i>
Total assets	28,298,121	25,436,261	23,222,693
Profit before tax	249,893	326,597	308,160
Net Profit	207,609	269,222	255,626
Net profit attributable to shareholders of CCB	205,832	266,733	254,655

As extracted from the third quarter report of CCB for the nine months ended 30 September 2020, the total assets value of CCB was approximately RMB28,298,121 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.