

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



## **EASYKNIT INTERNATIONAL HOLDINGS LIMITED**

**永義國際集團有限公司\***

*(incorporated in Bermuda with limited liability)*

**(Stock Code: 1218)**

### **MAJOR TRANSACTION DISPOSAL OF SECURITIES OF HONG KONG EXCHANGES AND CLEARING LIMITED**

Further to the Company's announcement dated 14 September 2017 relating to the Previous MT Disposal, the Group disposed on-market a Disposal of a total 592,200 HKEx Shares in a series of transactions conducted during the period from 23 October 2017 to 13 November 2017, at an average price of HK\$227.50 per HKEx Share for an aggregate gross sale proceeds of approximately HK\$134,724,900 (excluding transaction costs).

The Disposal standing alone constitutes a major transaction under Rule 14.06(3) of the Listing Rules as the certain applicable percentage ratios of the Disposal exceeds 25% but are less than 75%. As the highest applicable percentage ratio calculated under Rule 14.07 of the Listing Rules in respect of the Disposal aggregated with the Previous MT Disposal is more than 25% but less than 75%, the Aggregate Disposal still constitutes a major transaction for the Company, which is subject to the reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

#### **THE DISPOSAL**

The Group disposed on-market a Disposal of a total 592,200 HKEx Shares in a series of transactions conducted during the period from 23 October 2017 to 13 November 2017, at an average price of HK\$227.50 per HKEx Share for an aggregate gross sale proceeds of approximately HK\$134,724,900 (excluding transaction costs).

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

#### **Assets disposed**

The Group disposed of 592,200 HKEx Shares, representing approximately 0.0478% of the issued share capital of HKEx (based on the 1,239,809,477 HKEx Shares as at 31 October 2017 according to publicly available information).

#### **Consideration**

The gross sale proceeds of the Disposal is approximately HK\$134,724,900 (excluding transaction costs), which is receivable in cash on settlement. The price for the Disposal represented the market price of the HKEx Shares at the time of the Disposal.

*\* for identification purposes only*

## REASONS FOR AND BENEFITS OF THE DISPOSAL

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

The purpose of the Disposal is to obtain a balanced securities investment portfolio. As a result of the Disposal, the Group is expected to recognize a gain of approximately HK\$14,750,500 which is calculated on the basis of the difference between the acquisition price and the disposal price (exclusive of the transaction costs). The Group intends to use the proceeds of the Disposal for general working capital.

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

## AGGREGATE DISPOSAL

The total gross sales proceeds of the Aggregate Disposal for 1,192,200 HKEx Shares is approximately HK\$261,598,900 and is expected to recognize a gain of approximately HK\$20,499,800.

## INFORMATION ON HKEX

According to publicly available information, HKEx is a company incorporated in Hong Kong with limited liability and the shares of which are listed on the main board of the Stock Exchange (stock code: 388). According to its company profile available on the internet, HKEx is the holding company of the Stock Exchange, Hong Kong Futures Exchange Limited and Hong Kong Securities Clearing Company Limited and brings together the market organisations which have transformed Hong Kong's financial services industry from a domestically focused market to become a central market place in Asia attracting investment funds from all over the world. HKEx was listed in June 2000 following the integration of Hong Kong's securities and derivatives markets. HKEx services comprise trading, clearing and settlement, depository and nominee services, and information services.

The following information is extracted from the published documents of HKEx:

|   | <b>For the nine<br/>months ended<br/>30 September<br/>2017<br/>HK\$ million</b> | <b>For the year ended<br/>31 December<br/>2016<br/>HK\$ million</b> | <b>2015<br/>HK\$ million</b> |
|---|---|---|------------------------------|
| Revenue   | 9,657   | 11,116  | 13,375                       |
| Profit before taxation  | 6,411   | 6,799   | 9,278                        |
| Net profit after taxation<br>attributable to shareholders of HKEx | 5,526   | 5,769   | 7,956                        |
| Total assets  | 282,551   | 247,318   | 238,193                      |

## GENERAL

The Disposal standing alone constitutes a major transaction under Rule 14.06(3) of the Listing Rules as the certain applicable percentage ratios of the Disposal exceeds 25% but are less than 75%. As the highest applicable percentage Ratio calculated under Rule 14.07 of the Listing Rules in respect of the Disposal aggregated with the Previous MT Disposal is more than 25% but less than 75%, the Aggregate Disposal still constitutes a major transaction for the Company, which is subject to the reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

## WRITTEN SHAREHOLDERS' APPROVAL

Pursuant to Rule 14.44 of the Listing Rules, in lieu of a resolution to be passed at a general meeting of the Company, written approvals of the Aggregate Disposal have been obtained from Sea Rejoice Limited and Magical Profits Limited, the substantial shareholders of the Company with an aggregate interest in 46,609,144 Shares, representing approximately 58.69% of the issued share capital of the Company as at the date of this announcement. Sea Rejoice Limited which holds 17,429,664 Shares, representing approximately 21.95% of the issued shares of the Company, is wholly-owned by Ms. Lui Yuk Chu, the vice president and executive director of the Company. Magical Profits Limited, which holds 29,179,480 Shares, representing approximately 36.74% of the issued shares of the Company is wholly-owned by The Winterbotham Trust Company Limited as the trustee of The Magical 2000 Trust (the beneficiaries of which include Ms. Lui Yuk Chu and her family members (including Ms. Koon Ho Yan Candy, daughter of Ms. Lui Yuk Chu and an executive director of the Company) other than the spouse of Ms. Lui Yuk Chu). Sea Rejoice Limited and Magical Profits Limited are therefore a “closely allied group of shareholders” for the purpose of the Listing Rules.

A circular containing, among other things, details of the Aggregate Disposal is expected to be despatched to the Shareholders on or before 8 December 2017 in accordance with the Listing Rules.

## DEFINITIONS

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

|                      |   |
|----------------------|---|
| “Aggregate Disposal” | the aggregate transaction of the Disposal and the Previous MT Disposal  |
| “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  |
| “Disposal”           | the disposal by the Company, through its subsidiaries, for a total of 592,200 HKEx Shares during the period from 23 October 2017 to 13 November 2017 for a gross sale proceeds of approximately HK\$134,724,900 |
| “Group”              | the Company and its subsidiaries  |
| “HK\$”               | Hong Kong dollars, the lawful currency of Hong Kong   |
| “HKEx”               | Hong Kong Exchanges and Clearing Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the main board of the Stock Exchange (stock code: 388)                  |
| “HKEx Shares”        | shares with a par value of HK\$1.00 each in the share capital of HKEx   |
| “Hong Kong”          | the Hong Kong Special Administrative Region of the PRC  |

|                           |   |
|---------------------------|---|
| “Independent Third Party” | third party(ies) independent of the Company and connected persons of the Company  |
| “Listing Rules”           | the Rules Governing the Listing of Securities on the Stock Exchange   |
| “major transaction”       | as defined in the Listing Rules   |
| “percentage ratios”       | as defined in the Listing Rules   |
| “PRC”                     | the People’s Republic of China  |
| “Previous MT Disposal”    | the disposal of 600,000 HKEx Shares between 13 July 2017 and 12 September 2017 for an aggregate principal amount of approximately HK\$126,874,000 constitutes a major transaction for the Company, details were set out in the Company’s announcement dated 14 September 2017 |
| “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   |
| “%”                       | per cent  |

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

Hong Kong, 17 November 2017

*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.*