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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 ACQUISITION OF EQUITY LINKED NOTE**

#### **THE ACQUISITION**

On 24 November 2021, Mark Profit has subscribed for the ELN which is linked to Ping An shares for a principal amount of HK\$6,000,000, before expenses.

#### **LISTING RULES IMPLICATION**

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Acquisition, when aggregated with Previous Acquisitions in the last 12 months exceed(s) 5% but less than 25%, the Acquisition aggregated with the Previous Acquisitions constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under the Listing Rules.

#### **THE ACQUISITION**

On 24 November 2021, Mark Profit has subscribed for the ELN which is linked to Ping An shares for a principal amount of HK\$6,000,000, before expenses.

Summary of principal terms of the ELN is set out below:

Issuer:	BNP Paribas
Principal amount:	HK\$6,000,000
Coupon rate:	15% per annum
Trade date of the ELN:	24 November 2021
Issue date of the ELN:	8 December 2021
Assets to which the ELN are linked:	Ping An shares
Strike price:	HK\$51.4247 for each Ping An share
Tenor:	2 months
Closing Price:	the closing price of Ping An share on the final observation date, currently expected to be 8 February 2022
1st Valuation Date:	10 January 2022
Final Valuation Date:	8 February 2022
Maturity Date:	15 February 2022
Redemption amount:	If, at the maturity date:  (a) the closing price of Ping An share is equal to, or greater than, its strike price, the holder of the ELN will receive, on the maturity date, full face value of the ELN and the interest; or  (b) the closing price of Ping An share is lower than its strike price, the holder of the ELN will receive, on the maturity date, a specified number of Ping An shares calculated based on the strike price.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, BNP Paribas and its ultimate beneficial owners are Independent Third Party(ies) of the Company and its connected persons.

The principal amount for the ELN of HK\$6,000,000 will be satisfied in cash from internal resources of the Group. The consideration and the terms and conditions of the ELN were negotiated between the issuer of the ELN and Mark Profit on an arm's length basis with reference to the recent closing prices of Ping An Shares.

## PREVIOUS ACQUISITIONS

- (i) On 27 May 2021, Ace Winner, subscribed for an equity-linked note issued by BNP Paribas which was linked to Ping An shares for a principal amount of HK\$30,000,000, before expenses. On 17 August 2021, the share price of Ping An closed below the strike price of HK\$78.2292 and Ace Winner was obliged to take delivery of 383,460 Ping An Shares.
- (ii) During the period from 2 to 11 June 2021, Mark Profit acquired 350,000 Ping An shares on the open market at a total consideration of approximately HK\$28,800,000, before expenses, at an average price of HK\$82.5 per Ping An share.

## INFORMATION OF THE GROUP

The Group is principally engaged in property investment, property development, securities investment and loan financing businesses.

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

## INFORMATION OF PING AN

Ping An is a limited company incorporated in the PRC, the shares of which are listed on the main board of the Stock Exchange (Stock Code: 2318). The business scope of Ping An includes investing in financial and insurance enterprises, as well as supervising and managing various domestic and overseas businesses of subsidiaries, and controlled funds.

The following information is extracted from the 2020 Annual Report of Ping An for the two financial years ended 31 December:

	Year ended 31 December	
	2020	2019
	<i>RMB million</i>	<i>RMB million</i>
Revenue	<b>1,321,418</b>	1,273,091
Profit before tax	<b>187,764</b>	184,739
Net Profit	<b>159,359</b>	164,365

As stated in Ping An's 2021 Interim Report and 2020 Annual Report, Ping An group had an unaudited net asset of RMB 1,028,914 million as at 30 June 2021 and an audited net asset of RMB 987,905 million as at 31 December 2020.

## **REASONS FOR AND BENEFITS OF THE ACQUISITION**

The Acquisition forms part of the Group's principal business activities in investment in financial instruments and presents an opportunity for the Group to generating a return to the Group. In addition, the interest rate of the ELN is higher than the interest rates of HK\$ fixed deposit / US\$ fixed deposit offered by commercial banks in Hong Kong. The Directors (including independent non-executive Directors) are of the view that the terms of the ELN are fair and reasonable and the Acquisition is in the interests of the Company and the Shareholders as a whole.

## **LISTING RULES IMPLICATION**

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Acquisition, when aggregated with Previous Acquisitions in the last 12 months exceed(s) 5% but is less than 25%, the Acquisition aggregated with the Previous Acquisitions constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under the Listing Rules.

## **DEFINITIONS**

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

“Ace Winner”	Ace Winner Investment Limited, an indirect wholly-owned subsidiary of the Company and a company incorporated in Hong Kong with limited liability, which principal business is investment holding
“Acquisition”	the acquisition of the ELN of Ping An for a principal amount of HK\$6,000,000 on 24 November 2021
“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 the Stock Exchange (Stock Code: 1218)
“Director(s)”	the director(s) of the Company
“ELN”	the equity linked note issued by BNP Paribas to Mark Profit
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong

“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	person(s) who or company(ies) together with its/their ultimate beneficial owner(s) which is/are third party(ies) independent of the Company and its connected person(s)(as defined under the Listing Rules)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mark Profit”	Mark Profit Development Limited, an indirect wholly-owned subsidiary of the Company and a company incorporated in Hong Kong with limited liability, which principal business is investment holding
“Ping An”	Ping An Insurance (Group) Company of China, Ltd., a company incorporated in the PRC with limited liability, the share of which are listed on the main board of the Stock Exchange (Stock Code: 2318)
“Previous Acquisitions”	<p>(i) on 27 May 2021, Ace Winner subscribed for an equity-linked note issued by BNP Paribas which is linked to Ping An shares for a principal amount of HK\$30,000,000, before expenses. On 17 August 2021, the share price of Ping An closed below the strike price of HK\$78.2292 and Ace Winner was obliged to take delivery of 383,460 Ping An Shares.</p> <p>(ii) During the period from 2 to 11 June 2021, Mark Profit acquired 350,000 Ping An shares on the open market at a total consideration of approximately HK\$28,800,000, before expenses, at average purchase price of HK\$82.5.</p>
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	the holder(s) of the ordinary share(s) of HK\$0.10 each in the issued share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“subsidiary(ies)” has the meaning as ascribed thereto under the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)

“%” per cent

By Order of the Board  
**EASYKNIT INTERNATIONAL HOLDINGS LIMITED**  
**Koon Ho Yan Candy**  
*President and Chief Executive Officer*

Hong Kong, 25 November 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.*