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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 28 October 2021, Constance has subscribed for the ELN which is linked to CCB shares for a principal amount of HK\$5,000,000, 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 exceeds 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.

THE ACQUISITION

On 28 October 2021, Constance has subscribed for the ELN which is linked to CCB shares for a principal amount of HK\$5,000,000, before expenses.

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

Issuer:	Credit Suisse International
Principal amount:	HK\$5,000,000
Coupon rate:	15% per annum
Trade date of the ELN:	28 October 2021
Issue date of the ELN:	11 November 2021
Assets to which the ELN are linked:	CCB shares
Strike price:	HK\$5.2469 for each CCB share
Tenor:	2 months
Closing Price:	the closing price of CCB share on the final valuation date
Final Valuation Date:	11 January 2022
Maturity Date:	5 payment days following the final valuation date, which is expected to be 18 January 2022
Redemption amount:	If, at the final valuation date: (a) the closing price of CCB 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 CCB share is lower than its strike price, the holder of the ELN will receive, on the maturity date, a specified number of CCB shares calculated based on the strike price.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, Credit Suisse International 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\$5,000,000 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 Constance on an arm's length basis with reference to the recent closing prices of CCB Shares.

PREVIOUS ACQUISITIONS

- (i) On 7 December 2020, Clever Wise Holdings Limited (“**Clever Wise**”) and Goldchamp International Limited (“**Goldchamp**”) acquired an aggregate of 3,800,000 CCB shares on the open market at an aggregate consideration of approximately HK\$22,500,000 (before expenses). Both companies are wholly-owned subsidiaries of Eminence. Eminence was not a subsidiary of the Company and its financial accounts was not incorporated in the financial accounts of the Company on 7 December 2020 but was an indirect non-wholly owned subsidiary of the Company at the date of this announcement. Clever Wise and Goldchamp in turn are indirect non-wholly owned subsidiaries of the Company.
- (ii) On 6 October 2021, Constance acquired 1,000,000 CCB shares on the open market at a consideration of approximately HK\$5,400,000, before expenses.

INFORMATION OF THE GROUP

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

Constance is principally engaged in securities dealing and broking business. It is an indirect wholly owned subsidiary of the Company.

INFORMATION OF CCB

CCB is a limited company incorporated in the PRC, the shares of which are listed on the main board of the Stock Exchange (stock code: 939). CCB is a commercial bank. The principal activities of CCB and its subsidiaries are the provision of corporate and personal banking services, conducting treasury business, the provision of asset management, trustee, finance leasing, investment banking, insurance and other financial services.

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

	Year ended 31 December	
	2020	2019
	<i>RMB million</i>	<i>RMB million</i>
Operating income	714,224	678,001
Profit before tax	336,616	326,597
Net Profit	273,579	269,222

As stated in CCB’s 2021 Half-Year Report and 2020 Annual Report, CCB group had an unaudited net asset of RMB 2,436,972 million as at 30 June 2021 and an audited net asset of RMB 2,364,808 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 exceeds 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:

“Acquisition”	the acquisition of the ELN of CCB for a principal amount of HK\$5,000,000 on 28 October 2021
“Board”	the board of Directors
“CCB”	China Construction Bank Corporation, 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: 939)
“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)
“Constance”	Constance Capital Limited, an indirect wholly owned subsidiary of the Company and a company incorporated in Hong Kong with limited liability, which is principally engaged in securities dealing and broking
“Director(s)”	the director(s) of the Company

“ELN”	the equity linked note issued by Credit Suisse International to Constance
“Eminence”	Eminence Enterprise 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: 616), a 74.76% owned listed subsidiary of the Company as of the date of this announcement
“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
“Previous Acquisitions”	<p>(i) on 7 December 2020, Clever Wise Holdings Limited and Goldchamp International Limited acquired an aggregate of 3,800,000 CCB Shares at an aggregate consideration of approximately HK\$22,500,000 (before expenses)</p> <p>(ii) on 6 October 2021, Constance acquired 1,000,000 CCB shares at a consideration of approximately HK\$5,400,000 (before expenses)</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, 29 October 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.