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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 18 January 2022, Constance has acquired for the ELN which is linked to ICBC shares for a principal amount of HK\$3,000,000, 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 18 January 2022, Constance has acquired for the ELN which is linked to ICBC shares for a principal amount of HK\$3,000,000, before expenses.

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

Issuer:	BNP Paribas
Principal amount:	HK\$3,000,000
Coupon rate:	15% per annum
Trade date of the ELN:	18 January 2022
Issue date of the ELN:	4 February 2022
Assets to which the ELN are linked:	ICBC shares
Strike price:	HK\$4.5291 for each ICBC share
Tenor:	2 months
Closing Price:	the closing price of ICBC share on the final observation date, currently expected to be 4 April 2022
1st Valuation Date:	4 March 2022
Final Valuation Date:	4 April 2022
Maturity Date:	12 April 2022
Redemption amount:	If, at the maturity date: <ul style="list-style-type: none"><li>(a) the closing price of ICBC 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</li><li>(b) the closing price of ICBC share is lower than its strike price, the holder of the ELN will receive, on the maturity date, a specified number of ICBC shares calculated based on the strike price and the interest</li></ul>

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 Acquisition 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 ICBC Shares.

## **PREVIOUS ACQUISITIONS**

- (i) On 9 February 2021, Constance acquired 500,000 ICBC shares on the open market at a total consideration of approximately HK\$2,410,000, before expenses, at an average price of HK\$4.82 per ICBC share.
- (ii) On 7 July 2021, Ace Winner, acquired for an equity-linked note issued by BNP Paribas which was linked to ICBC shares for a principal amount of HK\$7,000,000, before expenses. On 29 September 2021, the share price of ICBC closed below the strike price of HK\$4.5514 and Ace Winner was obliged to take delivery of 1,537,984 ICBC Shares.
- (iii) On 7 July 2021, Mark Profit, acquired for an equity-linked note issued by BNP Paribas which was linked to ICBC shares for a principal amount of HK\$25,000,000, before expenses. On 29 September 2021, the share price of ICBC closed below the strike price of HK\$4.5514 and Mark Profit was obliged to take delivery of 5,492,800 ICBC Shares.

## **INFORMATION OF THE GROUP**

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

Constance, a wholly-owned subsidiary of the Company, is incorporated under the laws of Hong Kong with limited liability. The principal business of Constance is securities dealing and broking business.

## **INFORMATION OF ICBC**

ICBC is a limited company incorporated in the PRC, the shares of which are listed on the main board of the Stock Exchange (Stock Code: 1398). The principal activities of ICBC and its subsidiaries comprise corporate and personal financing, treasury operations, investment banking, asset management, trust, financial leasing, insurance and other financial services.

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

	Year ended 31 December	
	2020	2019
	<i>RMB million</i>	<i>RMB million</i>
Operating Income	<b>800,075</b>	776,002
Profit before tax	<b>392,126</b>	391,789
Net Profit	<b>317,685</b>	313,361

As stated in ICBC's 2021 Interim Report and 2020 Annual Report, ICBC group had an unaudited total asset of RMB 35,136,284 million as at 30 June 2021 and an audited total asset of RMB 33,345,058 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 ICBC for a principal amount of HK\$3,000,000 on 18 January 2022

“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)
“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 BNP Paribas to Constance
“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
“ICBC”	Industrial and Commercial Bank of China Limited, 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: 1398)
“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
“Previous Acquisitions”	(i) On 9 February 2021, Constance acquired 500,000 ICBC shares on the open market at a total consideration of approximately HK\$2,410,000, before expenses, at an average price of HK\$4.82 per ICBC share.

- (ii) On 7 July 2021, Ace Winner, acquired for an equity-linked note issued by BNP Paribas which was linked to ICBC shares for a principal amount of HK\$7,000,000, before expenses. On 29 September 2021, the share price of ICBC closed below the strike price of HK\$4.5514 and Ace Winner was obliged to take delivery of 1,537,984 ICBC Shares.
- (iii) On 7 July 2021, Mark Profit, acquired for an equity-linked note issued by BNP Paribas which was linked to ICBC shares for a principal amount of HK\$25,000,000, before expenses. On 29 September 2021, the share price of ICBC closed below the strike price of HK\$4.5514 and Mark Profit was obliged to take delivery of 5,492,800 ICBC Shares.

“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, 19 January 2022

*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.*