

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)

DISCLOSEABLE TRANSACTION DISPOSALS OF LISTED SECURITIES

THE DISPOSALS

The Board announces that in a series of transactions conducted during the period between 23 March 2022 to 29 September 2022 (both days inclusive), the Group has disposed of an aggregate of 127,000 HSB shares (representing approximately 0.0066% of the total issued shares of HSB) on the open market at an aggregate consideration of approximately HK\$16,900,000 (excluding transaction costs).

LISTING RULES IMPLICATION

As certain applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Disposals exceed 5% but less than 25%, the Disposals 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 DISPOSALS

During the period between 23 March 2022 to 29 September 2022 (both days inclusive), the Group, through its subsidiaries, has disposed of an aggregate of 127,000 HSB shares (representing approximately 0.0066% of the total issued shares of HSB) on the open market at an aggregate consideration of approximately HK\$16,900,000 (excluding transaction costs), at the price between HK\$117.80 to HK\$148.60 per HSB share. The average price (excluding transaction costs) for the Disposed Shares was approximately HK\$133.30.

As the Disposals were conducted in the open market, the identities of the counterparties of the Disposals cannot be ascertained. To the best knowledge, information and belief of the Directors and having made all reasonable enquiries, the counterparties and the ultimate beneficial owner(s) of the counterparties of the Disposed Shares are Independent Third Parties of the Company.

INFORMATION OF HSB

HSB is a limited company incorporated in Hong Kong, the shares of which are listed on the main board of the Stock Exchange (Stock Code: 11). HSB and its subsidiaries are engaged in the provision of banking and related financial services. The Company operates its business through four segments. The Wealth and Personal Banking segment engages in provision of personal banking, consumer lending, time deposits, mortgages and personal loans, credit cards, insurance and wealth management services. The Commercial Banking segment engages in the corporate lending, trade and receivable finance, payments and cash management, treasury and foreign exchange, general insurance, key-person insurance, investment services and corporate wealth management. The Global Banking and Markets segment provides tailored financial solutions. The Other segment engages in the properties, equity shares investment.

The following information is extracted from HSB's 2022 interim report for the six months ended 30 June 2022 and 2021 annual report for the two financial years ended 31 December:

| | Six months ended | Year ended 31 December | |
|-------------------------------------|---------------------|------------------------|---------------------|
| | 30 June 2022 | 2021 | 2020 |
| | <i>HK\$ million</i> | <i>HK\$ million</i> | <i>HK\$ million</i> |
| Operating Income | 27,534 | 49,532 | 54,322 |
| Profit before tax | 5,439 | 16,385 | 19,414 |
| Profit attributable to shareholders | 4,704 | 13,960 | 16,687 |

As stated in HSB's 2022 interim report and 2021 annual report, HSB group had an unaudited total asset of HK\$1,846,914 million as at 30 June 2022 and an audited total asset of HK\$1,820,185 million as at 31 December 2021 (2020: HK\$1,759,787 million).

REASONS FOR THE DISPOSALS AND USE OF PROCEEDS

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

In view of the recent fluctuation of the Hong Kong Stock Market and prevailing market sentiment, the Directors believe that it is beneficial to adopt a cautious investment strategy to liquidate its investment in the Disposed Shares with an aim to enhance the liquidity position of the Group. As a result of the Disposals and based on the acquisition costs of the Disposed Shares, it is expected that the Group will record a loss of approximately HK\$1,080,000 (excluding transaction costs) on the Disposals. The gross proceeds from the Disposals of approximately HK\$16,900,000 which intends to be used for the general working capital of the Group. The actual gain or loss as a result of the Disposals to be recorded by the Group is subject to audit to be performed by the Company's auditors.

As the Disposals were made at market price, the Directors are of the view that the terms of the Disposals are fair and reasonable and in the interests of the Company and its shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

As certain applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Disposals exceed 5% but less than 25%, the Disposals 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, unless the context otherwise requires, the following terms shall have the following meanings:

| | |
|-------------------|--|
| “Board” | the board of Directors |
| “Company” | Easyknit International Holdings Limited, a company incorporated in Bermuda with limited liability and the issued shares of which are listed on the main board of the Stock Exchange (Stock Code: 1218) |
| “Director(s)” | director(s) of the Company |
| “Disposals” | the disposals of the Disposed Shares by the Group |
| “Disposed Shares” | an aggregate of 127,000 HSB shares disposed by the Group, representing approximately 0.0066% of the entire issued share capital of HSB as at 29 September 2022 |

| | |
|--------------------------------|---|
| “Group” | the Company and its subsidiaries |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong |
| “Hong Kong” | the Hong Kong Special Administrative Region of the People’s Republic of China |
| “HSB” | Hang Seng Bank 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: 11) |
| “Independent Third Party(ies)” | a party(ies) independent of and not connected with the Company and its connected persons (as defined under the Listing Rules) |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “%” | per cent |

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

Hong Kong, 30 September 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.