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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 PURCHASE OF EQUITY LINKED NOTE OF CHINA CONSTRUCTION BANK CORPORATION

The Group, through its wholly-owned subsidiary, purchased an ELN of CCB on 8 July 2019 for a principal amount of HK\$14,000,000.

The Acquisition standing alone constitutes a discloseable transaction under Rule 14.06(2) of the Listing Rules as one or more applicable percentage ratios of the Acquisition exceed 5% but are less than 25%. When the Acquisition aggregated with the Previous Acquisitions, the aggregated acquisitions still remain as a discloseable transaction.

THE ACQUISITION

The Group, through its wholly-owned subsidiary, purchased an ELN of CCB on 8 July 2019 for a principal amount of HK\$14,000,000 and the major terms of the ELN of CCB are as follow:

Major Terms of ELN

- | | | |
|-----|-----------------------|-----------------------------|
| 1. | Trade date: | 8 July 2019 |
| 2. | Issuer: | Credit Suisse International |
| 3. | Linked equity: | CCB |
| 4. | Principal amount: | HK\$14,000,000 |
| 5. | Issue price: | HK\$6.1752 |
| 6. | Strike price: | HK\$6.0678 |
| 7. | Tenor: | 2 months |
| 8. | Coupon rate: | 15% per annum |
| 9. | 1st Observation date: | 22 August 2019 |
| 10. | 2nd Observation date: | 23 September 2019 |

The principal amount of the Acquisition shall be paid on 22 July 2019 and be satisfied in cash from internal resources of the Company.

** for identification purposes only*

INFORMATION OF ELN

ELN is designated as financial assets at fair value gain through profit or loss. Each ELN is subject to mandatory redemption clause at a strike price until maturity dates depending on the market price of the CCB Shares underlying the ELN.

Each ELN has two payoff possibilities of which the Company shall receive the full face value of the ELN and the coupon interest on the fixing date (i.e. 1st observation date and/or 2nd observation date) if the underlying stock price closes at or above the strike price. Conversely if the underlying stock price closes below the strike price, the Company will be obliged to take delivery of the underlying shares at the strike price. The number of shares to be received on maturity is calculated by dividing the ELN's full face value by the strike price.

The maximum risk exposure of the Company is at the time when the Company is obliged to take delivery of the underlying shares at the strike price, and the total amount of the funds for the acquisition of the underlying shares is limited to the principal amount of each ELN.

REASONS AND BENEFITS OF THE PURCHASE OF ELN

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

The Directors take the view that ELN is one of the investment options that can earn potentially higher interest income (in the form of interest rates) than normal market deposit; and ELN does not have any brokerage charges and clearing fees on the purchase of the underlying shares until the time when the underlying shares are delivered. By capitalising on share movements, it is an opportunity to maximise market opportunities by earning more attractive interest rate. Moreover, ELN has a flexible choice in terms of the share counters and tenors.

Having considered the above factors and the terms of ELN, the present market conditions of the stock market and the track record of CCB, the Directors (including the independent non-executive Directors) are of the view that the Acquisition is fair and reasonable, on normal commercial terms and in the interests of the Company and its Shareholders as a whole.

INFORMATION ON CCB

According to publicly available information, CCB is a joint-stock company incorporated in the PRC with limited liability and its H shares are listed on the main board of the Stock Exchange (stock code: 939). According to its latest annual report, CCB is principally engaged in 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 public documents of CCB:

	For the three months ended 31 March 2019	For the year ended 31 December	
	<i>RMB million</i>	2018 <i>RMB million</i>	2017 <i>RMB million</i>
Total assets	24,190,914	23,222,693	22,124,383
Operating income	178,825	633,772	594,031
Profit before taxation	95,841	308,160	299,787
Net profit	77,925	255,626	243,615
Net profit attributable to shareholders of CCB	76,916	254,655	242,264

LISTING RULES IMPLICATIONS

The Acquisition standing alone constitutes a discloseable transaction under Rule 14.06(2) of the Listing Rules as one or more applicable percentage ratios of the Acquisition exceed 5% but are less than 25%. When the Acquisition aggregated with the Previous Acquisitions, the aggregate acquisitions still remain as a discloseable transaction.

As at the date of this announcement and to the best of the Directors' knowledge, information and belief, there is no Shareholder who has a material interest in the Acquisition.

DEFINITIONS

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

“Acquisition”	the purchase of an ELN of CCB for a principal amount of HK\$14,000,000 by a wholly-owned subsidiary of the Company on 8 July 2019
“Board”	the board of Directors
“CCB”	China Construction Bank Corporation, a joint-stock company incorporated in the PRC with limited liability, the H shares of which are listed on the main board of the Stock Exchange (stock code: 939)
“CCB Share(s)”	overseas listed foreign shares with a par value of RMB1.00 each in the share capital of CCB, listed on the main board of the Stock Exchange and traded in Hong Kong dollars
“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 (stock code: 1218)
“Director(s)”	director(s) of the Company

“discloseable transaction”	as defined in the Listing Rules
“ELN”	the equity linked note issued to Ace Winner Investment Limited, a wholly-owned subsidiary of the Company
“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 PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“percentage ratios”	as defined in the Listing Rules
“RMB”	Renminbi, the lawful currency of the PRC
“PRC”	the People’s Republic of China
“Previous Acquisitions”	the purchase of three (3) ELN of CCB during the period between 5 December 2018 and 15 May 2019. Further information can be found in the announcement of the Company dated 20 May 2019
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of shares of the Company
“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, 11 July 2019

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.