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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 DISPOSAL OF SECURITIES IN HSBC HOLDINGS PLC

The Company, through its wholly-owned subsidiary, disposed on-market a total of 631,700 HSBC Shares in a series of transactions conducted during the period from 27 August 2019 to 30 August 2019, at an average price of approximately HK\$56.121 per HSBC Share for an aggregate gross sale proceeds of approximately HK\$35,451,500 (excluding transaction costs). After the Disposals, the Group no longer owns any HSBC Shares.

As one of the applicable percentage ratios exceeds 5% but is less than 25%, the Disposals constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to reporting and announcement requirements under the Listing Rules.

THE DISPOSALS

The Company, through its wholly-owned subsidiary, disposed on-market a total of 631,700 HSBC Shares in a series of transactions conducted during the period from 27 August 2019 to 30 August 2019, at an average price of approximately HK\$56.121 per HSBC Share for an aggregate gross sale proceeds of approximately HK\$35,451,500 (excluding transaction costs). After the Disposal the Group no longer owns any HSBC Shares.

As the Disposals were made in the open market, the Company is not aware of the identities of the purchasers of the HSBC Shares. To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, each of the purchasers of the HSBC Shares and their ultimate beneficial owners are Independent Third Parties.

Assets disposed

The Group disposed of 631,700 HSBC Shares, representing approximately 0.003% of the issued share capital of HSBC (based on the 20,535,662,016 HSBC Shares as at 29 August 2019 according to publicly available information). The book value of the HSBC Shares disposed by the Group as at 31 July 2019 was approximately HK\$40,018,195.

Consideration

The aggregate gross sale proceeds of the Disposals were approximately HK\$35,451,500 (excluding transaction costs), which is receivable in cash on settlement. The price for the Disposals represented the market price of the HSBC Shares at the time of the Disposals.

REASONS FOR AND BENEFITS OF THE DISPOSALS

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

The purpose of the Disposal is to obtain a balanced securities investment portfolio. As a result of the Disposals, the Group is expected to recognize a loss of approximately HK\$4,566,695 which is calculated on the basis of the difference between the book value of the HSBC Shares disposed by the Group as at 31 July 2019 and the aggregate gross sale proceeds (excluding the transaction costs). The Group intends to use the proceeds of the Disposals for the general working capital of the Group.

The Disposals were made at prevailing market price and the Directors (including the independent non-executive Directors) are of the view that the Disposals could enhance the liquidity of the Company, was fair and reasonable, on normal commercial terms and in the interests of the Company and its Shareholders as a whole.

INFORMATION ON HSBC

HSBC is a company incorporated in England with limited liability and its shares are listed on the London, Hong Kong, New York, Paris and Bermuda stock exchanges. Based on HSBC's profile on the website of the Stock Exchange, HSBC is the banking and financial services company. HSBC operates across various geographical regions, which include Europe, Asia, Middle East and North Africa, North America and Latin America.

The following information is extracted from the latest interim report and annual report of HSBC:

	For the six months ended 30 June 2019	For the year ended 31 December	
	<i>USD million</i>	2018 <i>USD million</i>	2017 <i>USD million</i>
Revenue	38,032	63,587	63,776
Profit before taxation	12,407	19,890	17,167
Net profit after taxation attributable to shareholders of HSBC	9,216	13,727	10,798
Total assets	2,751,273	2,558,124	2,521,771

LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios exceeds 5% but is less than 25%, the Disposals constitute a discloseable transaction of 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 have the following meanings:

“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 Stock Exchange (stock code: 1218)
“Director(s)”	director(s) of the Company
“discloseable transaction”	as defined in the Listing Rules
“Disposals”	a series of disposals by a wholly-owned subsidiary of the Company for a total of 631,700 HSBC Shares during the period from 27 August 2019 to 30 August 2019 for a gross sale proceeds of approximately HK\$35,451,500 (excluding transaction costs)
“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
“HSBC”	HSBC Holdings plc, whose shares are listed on the main board of the Stock Exchange (stock code: 00005)
“HSBC Share(s)”	the ordinary shares of US\$0.50 each in the share capital of HSBC
“Independent Third Party”	third party(ies) independent of the Company and connected persons of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“percentage ratios”	as defined in the Listing Rules

“PRC”	the People’s Republic of China
“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, 30 August 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.