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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)

MAJOR TRANSACTION AGGREGATE PURCHASE OF EQUITY LINKED NOTE

Further to the announcements of the Company dated 26 August 2015 and 2 September 2015, the Group, through its wholly-owned subsidiary, purchase two ELNs both linked to HKEx on 21 September 2015 and 22 September 2015 respectively, the principal amount of each is HK\$40,000,000.

One of applicable percentage ratios under Chapter 14 of the Listing Rules in relation to the aggregate principal amount of Acquisition and/or the aggregate of the Acquisition and the Previous Acquisitions exceeds 25% but is less than 100% which constitutes a major transaction of the Company which is subject to the reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

THE ACQUISITION

The Group, through its wholly-owned subsidiary, purchased two ELNs both linked to HKEx on 21 September 2015 and 22 September 2015, the principal amount of each is HK\$40,000,000.

Major Terms of ELN purchased on 21 September 2015

- | | |
|----------------------|-------------------|
| 1. Trade Date: | 21 September 2015 |
| 2. Issuer: | BNP Paribas |
| 3. Linked equity | HKEx |
| 4. Principal amount: | HK\$40,000,000 |
| 5. Issue price: | HK\$185.90 |
| 6. Strike price: | HK\$164.0753 |
| 7. Tenor: | 2 months |
| 8. Coupon rate: | 15% per annum |

The principal amount of the Acquisition shall be paid on 7 October 2015 and be satisfied in cash from internal resources of the Company.

** for identification purposes only*

Major Terms of ELN purchased on 22 September 2015

1. Trade Date: 22 September 2015
2. Issuer: BNP Paribas
3. Linked equity: HKEx
4. Principal amount: HK\$40,000,000
5. Issue price: HK\$187.10
6. Strike price: HK\$168.7642
7. Tenor: 2 months
8. Coupon rate: 15% per annum

The principal amount of the Acquisition shall be paid on 8 October 2015 and be satisfied in cash from internal resources of the Company.

INFORMATION OF ELN

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

At the maturity date, if the ELN is still outstanding, depending on the market price of the HKEx and the strike price, the ELN will be redeemed by the issuer at the principal amount in cash or shares.

AGGREGATE ACQUISITIONS

The aggregate principal amount of the Aggregate Acquisitions is HK\$160,000,000.

REASONS AND BENEFITS OF THE PURCHASE OF ELN

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

The Directors has a 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 HKEx, 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 HKEX

According to publicly available information, HKEx is a company incorporated in Hong Kong with limited liability and the shares of which are listed on the main board of the Stock Exchange (Stock Code: 388). According to its company profile available on the internet, HKEx is the holding company of the Stock Exchange, Hong Kong Futures Exchange Limited and Hong Kong Securities Clearing Company Limited and brings together the market organisations which have transformed Hong Kong's financial services industry from a domestically focused market to become a central market place in Asia attracting investment funds from all over the world. HKEx was listed in June 2000 following the integration of Hong Kong's securities and derivatives markets. HKEx services comprise trading, clearing and settlement, depository and nominee services, and information services.

The following information is extracted from the public documents of HKEx:

	For the six months ended 30 June 2015 <i>HK\$ million</i>	For the year ended 31 December	
		2014 <i>HK\$ million</i>	2013 <i>HK\$ million</i>
Total assets	300,663	251,860	85,943
Revenue	6,853	9,849	8,723
Profit before taxation	4,866	6,038	5,246
Net profit after taxation attributable to shareholders of HKEx	4,095	5,165	4,552

LISTING RULES IMPLICATIONS

As the highest applicable Percentage Ratio calculated under Rule 14.07 of the Listing Rules in respect of the principal amount of the Aggregate Acquisitions is more than 25% but less than 100%, the Aggregate Acquisitions constitutes a major transaction for the Company, which is subject to the reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

WRITTEN SHAREHOLDERS' APPROVAL

Pursuant to Rule 14.44 of the Listing Rules, in lieu of a resolution to be passed at a general meeting of the Company, written approvals of the Aggregate Acquisitions have been obtained from Sea Rejoice Limited and Magical Profits Limited, the substantial shareholders of the Company with an aggregate interest in 46,609,144 Shares, representing approximately 58.69% of the issued share capital of the Company as at the date of this announcement. Sea Rejoice Limited which holds 17,429,664 Shares, representing approximately 21.95% of the issued shares of the Company, is wholly-owned by Ms. Lui Yuk Chu, the vice president and executive director of the Company. Magical Profits Limited, which holds 29,179,480 Shares, representing approximately 36.74% of the issued shares of the Company is wholly-owned by The Winterbotham Trust Company Limited as the trustee of The Magical 2000 Trust (the beneficiaries of which include Ms. Lui Yuk Chu and her family members (including Ms. Koon Ho Yan Candy, daughter of Ms. Lui Yuk Chu and an executive director of the Company) other than the spouse of Ms. Lui Yuk Chu). Sea Rejoice Limited and Magical Profits Limited are therefore a "closely allied group of shareholders" for the purpose of the Listing Rules.

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 Aggregate Acquisitions.

A circular containing, among other things, details of the Aggregate Acquisitions is expected to be despatched to the Shareholders on or before 15 October 2015 in accordance with the Listing Rules.

DEFINITIONS

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

"Acquisition" the purchase of two ELNs both linked to HKEx by the Company, through its wholly-owned subsidiary, on 21 September 2015 and 22 September 2015, each for a principal amount of HK\$40,000,000

“Aggregate Acquisitions”	the aggregate of the Acquisition and the Previous Acquisitions for an aggregate principal amount of HK\$160,000,000
“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
“Director(s)”	director(s) of the Company
“ELN”	an equity linked note issued by BNP Paribas issued to Ace Winner Investment Limited, a wholly-owned subsidiary of the Company
“Group”	the Company and its subsidiaries
“HKEx”	Hong Kong Exchanges and Clearing 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: 388)
“HKEx Shares”	shares with a par value of HK\$1.00 each in the share capital of HKEx
“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
“major transaction”	as defined in the Listing Rules
“percentage ratios”	as defined in the Listing Rules
“PRC”	the People’s Republic of China
“Previous Acquisitions”	the purchase of ELNs linked to HKEx for a total principal amount of HK\$80,000,000 by the Company as mentioned in the Company’s announcement dated 26 August 2015 and 2 September 2015
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“0%”

per cent

By Order of the Board
Easyknit International Holdings Limited
Kwong Jimmy Cheung Tim
President and Chief Executive Officer

Hong Kong, 22 September 2015

As at the date hereof, the Board comprises Mr. Kwong Jimmy Cheung Tim, Ms. Lui Yuk Chu and Ms. Koon Ho Yan Candy as executive directors; Mr. Tse Wing Chiu Ricky and Mr. Lai Law Kau as non-executive directors; and Mr. Tsui Chun Kong, Mr. Jong Koon Sang and Mr. Hon Tam Chun as independent non-executive directors.