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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

The Group, through its wholly-owned subsidiary, purchase an ELN linked to ABC for a principal amount of HK\$40,000,000 on 16 November 2015.

The Acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules, as one of the applicable percentage ratios exceeds 5% but is less than 25%.

THE ACQUISITION

On 16 November 2015, the Group, through its wholly-owned subsidiary, purchased an ELN linked to ABC for a principal amount of HK\$40,000,000.

Major Terms of ELN

- | | |
|----------------------|------------------------|
| 1. Trade Date: | 16 November 2015 |
| 2. Issuer: | Hang Seng Bank Limited |
| 3. Linked equity | ABC |
| 4. Principal amount: | HK\$40,000,000 |
| 5. Issue price: | HK\$3.01 |
| 6. Strike price: | HK\$2.8706 |
| 7. Tenor: | 2 months |
| 8. Coupon rate: | 15% per annum |

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 ABC share underlying the ELN.

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

** for identification purposes only*

Principal Amount

The principal amount of the Acquisition shall be paid on 30 November 2015 and be satisfied in cash from internal resources of the Company.

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 ABC, 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 ABC

According to publicly available information, ABC is a joint stock company incorporated in the PRC with limited liability and the H shares of which are listed on the main board of the Stock Exchange (Stock Code: 1288). According to its company profile made available on the internet, ABC provides Renminbi and foreign currency deposits, loans, clearing and settlement services, assets custody services, fund management, financial leasing services, insurance services and other services as approved by relevant regulators, and the provision of related services by its overseas establishments as approved by the respective local regulators.

The following information is extracted from the interim and annual reports of ABC:

	For the six months ended 30 June 2015	For the year ended 31 December	
	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>
Revenue	276,309	524,126	465,771
Profit before taxation	134,679	232,257	214,174
Net profit after taxation			
attributable to shareholders of ABC	104,315	179,461	166,315
Total assets	17,459,554	15,974,152	14,562,102

LISTING RULES IMPLICATIONS

As certain size percentage ratios (as set out in Rule 14.07) of the Listing Rules of the Acquisition exceeds 5% but are less than 25%, the Acquisition constitutes a discloseable transaction of the Company under Chapter 14 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 Acquisition.

DEFINITIONS

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

“ABC”	Agricultural Bank of China Limited, 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: 1288)
“ABC Share”	overseas listed foreign shares of RMB1.00 each in the issued share capital of ABC, listed on the main board of the Stock Exchange and traded in Hong Kong dollars
“Acquisition”	the purchase by the Company, through its wholly-owned subsidiary, of an ELN linked to ABC for a principal amount of HK\$40,000,000 on 16 November 2015
“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 Hang Seng Bank Limited issued to Ace Winner Investment Limited, a wholly-owned subsidiary of the Company
“discloseable transaction”	as defined in the Listing Rules
“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
“PRC”	the People's Republic of China
“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

“%”

per cent

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

Hong Kong, 17 November 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.