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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 LINKED TO INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED

Further to the announcement of the Company dated 13 November 2015, the Group, through its wholly-owned subsidiary, purchase an ELN linked to ICBC for a principal amount of HK\$30,000,000 on 9 December 2015.

Certain applicable percentage ratios under Chapter 14 of the Listing Rules in relation to the aggregate of the Acquisition and the Previous Acquisition which exceeds 25% but are less than 100%. Accordingly, the Aggregate Acquisitions 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

On 9 December 2015, the Group, through its wholly-owned subsidiary, purchased an ELN linked to ICBC for a principal amount of HK\$30,000,000.

Major Terms of ELN

- | | |
|----------------------|-----------------------------|
| 1. Trade Date: | 9 December 2015 |
| 2. Issuer: | Credit Suisse International |
| 3. Linked equity | ICBC |
| 4. Principal amount: | HK\$30,000,000 |
| 5. Issue price: | HK\$4.58 |
| 6. Strike price: | HK\$4.335 |
| 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 ICBC Share underlying the ELN.

At the maturity date, if the ELN is still outstanding, depending on the market price of the ICBC 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 23 December 2015 and be satisfied in cash from internal resources of the Company.

AGGREGATE ACQUISITIONS

The aggregate principal amount of the Aggregate Acquisitions is HK\$80,000,000.

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 ICBC, 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 ICBC

According to publicly available information, ICBC 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: 1398). According to its company profile available on the internet, ICBC provides corporate and personal banking, treasury operations, investment banking, asset management, trust, financial leasing and other financial services.

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

	For the nine months ended 30 September 2015	For the year ended 31 December	
	<i>RMB million</i>	2014 <i>RMB million</i>	2013 <i>RMB million</i>
Total assets	22,104,917	20,609,953	18,917,752
Revenue	503,833	634,858	578,901
Profit before taxation	290,521	361,612	338,537
Net profit after taxation attributable to shareholders of ICBC	221,761	275,811	262,649

LISTING RULES IMPLICATIONS

As the highest applicable Percentage Ratio calculated under Rule 14.07 of the Listing Rules in respect 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 4 January 2016 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 by the Company, through its wholly-owned subsidiary, of an ELN linked to ICBC for a principal amount of HK\$30,000,000 on 9 December 2015
"Aggregate Acquisitions"	the aggregate acquisition of the Acquisition and the Previous Acquisition
"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 Credit Suisse International issued to Mark Profit Development Limited, a wholly-owned subsidiary of the Company
"Group"	the Company and its subsidiaries
"ICBC"	Industrial and Commercial Bank of China Limited, a joint 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: 1398)

“ICBC Share(s)”	overseas listed foreign shares of RMB1.00 each in the issued share capital of ICBC, listed on the main board of the Stock Exchange and traded in Hong Kong dollars
“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 Acquisition”	the acquisition by the Group, through its wholly-owned subsidiary, purchasing an ELN linked to ICBC for a principal amount of HK\$50,000,000 as mentioned in the Company’s announcement dated 13 November 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
“%”	per cent

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

Hong Kong, 10 December 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.