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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 CHINA CONSTRUCTION BANK CORPORATION**

Further to the announcement of the Company dated 13 November 2015, the Group, through its wholly-owned subsidiary, purchase 2 ELNs linked to CCB for a principal amount of HK\$120,000,000 during the period from 25 November 2015 to 8 December 2015.

Certain applicable percentage ratios under Chapter 14 of the Listing Rules in relation to the Aggregate Acquisitions 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 ACQUISITIONS**

The Group, through its wholly-owned subsidiary, purchased an ELN linked to CCB for an aggregate principal amount of HK\$120,000,000.

#### **(1) Major Terms of ELN of the 2nd Transaction**

1.	Trade date:	25 November 2015
2.	Issuer:	BNP Paribas
3.	Linked equity	CCB
4.	Principal amount:	HK\$20,000,000
5.	Issue price:	HK\$5.42
6.	Strike price:	HK\$5.1246
7.	Tenor:	2 months
8.	Coupon rate:	15.21% per annum
9.	Settlement date:	9 December 2015

#### **(2) Major Terms of ELN of the 3rd Transaction**

1.	Trade Date:	8 December 2015
2.	Issuer:	BNP Paribas

*\* for identification purposes only*

3.	Linked equity	CCB
4.	Principal amount:	HK\$100,000,000
5.	Issue price:	HK\$5.23
6.	Strike price:	HK\$4.9753
7.	Tenor:	2 months
8.	Coupon rate:	15.00% per annum
9.	Settlement date:	22 January 2016

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 CCB Share underlying the ELN.

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

### **Principal Amount**

The principal amount of the Acquisitions shall be satisfied in cash from internal resources of the Company.

### **AGGREGATE ACQUISITIONS**

The aggregate principal amount of the Aggregate Acquisitions is HK\$170,000,000.

### **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 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 the H shares of which are listed on the main board of the Stock Exchange (Stock Code: 939). According to its company profile made available on the internet, 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:

	<b>For the nine months ended 30 September 2015</b>	<b>For the year ended 31 December</b>	
	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>
Revenue	297,817	556,740	511,140
Profit before taxation	244,584	299,086	279,806
Net profit after taxation			
attributable to shareholders of ICBC	192,076	227,830	214,657
Total assets	18,321,375	16,744,130	15,363,210

## **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:

"1st Transaction" the acquisition by the Group by purchasing an ELN linked to CCB for a principal amount of HK\$50,000,000 as mentioned in the Company's announcement dated 13 November 2015

“2nd Transaction”	the acquisition by the Group by purchasing an ELN linked to CCB for a principal amount of HK\$20,000,000 as mentioned in the Company’s announcement dated 25 November 2015
“3rd Transaction”	the acquisition by the Group by purchasing an ELN linked to CCB for a principal amount of HK\$100,000,000 as mentioned in the Company’s announcement dated 8 December 2015
“Acquisitions”	the aggregate of 2nd Transaction and 3rd Transaction
“Aggregate Acquisitions”	the aggregate transactions of 1st Transaction, 2nd Transactions and 3rd Transaction
“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”	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
“Director(s)”	director(s) of the Company
“ELN”	an equity linked note issued by BNP Paribas issued to Mark Profit Development 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
“major transaction”	as defined in the Listing Rules
“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, 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.*