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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 ACQUISITIONS OF LISTED SECURITIES ON MATURITY OF EQUITY LINKED NOTE CHINA CONSTRUCTION BANK CORPORATION**

The Group acquired the Acquired Shares in a series of transactions conducted during the period from 25 January 2016 to 22 February 2016 for an aggregate price of HK\$170,000,000. The Acquired Shares are the CCB Shares which the Group was obliged to acquire because of the maturity of the ELN.

As certain applicable percentage ratios under Listing Rules in relation to the 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.

Pursuant to Rule 14.44 of the Listing Rules, written shareholders' approval of the Acquisitions has been obtained from the Sea Rejoice Limited and Magical Profits Limited, which together holder approximately 58.69% of the issued shares of the Company.

In compliance with Rule 14.60(7), a circular containing, among other things, details of the Acquisitions shall be sent to the Shareholders on or before 22 March 2016.

### **THE ACQUISITIONS**

The Board announced on 1 February 2016 a discloseable transaction constituted by the acquisition by the Group on-market of an aggregate 9,593,900 CCB Shares which was obliged to acquire because the closing share price of CCB on the final valuation date is lower than the strike price of the 1st ELN on the maturity of the 1st ELN.

As a result of further Acquisitions subsequent to the discloseable transaction on 1 February 2016, the Group has acquired 3,902,720 CCB Shares and 20,099,200 CCB Shares on 11 February 2016 and 22 February 2016 respectively because of the closing share price of CCB on the final valuation date is lower than strike price of each 2nd ELN and 3rd ELN.

*\* for identification purposes only*

### **Summary of terms of 1st ELN and 1st Acquisition**

- |    |                       |                  |
|----|-----------------------|------------------|
| 1. | Trade date:           | 11 November 2015 |
| 2. | Issuer:               | BNP Paribas      |
| 3. | Linked equity         | CCB              |
| 4. | Principal amount:     | HK\$50,000,000   |
| 5. | Issue price:          | HK\$5.46         |
| 6. | Strike price:         | HK\$5.2116       |
| 7. | Final valuation date: | 25 January 2016  |
| 8. | Maturity date:        | 1 February 2016  |

Since the closing share price of CCB on the final valuation date is HK\$4.61 which was below the strike price of the 1st ELN, the Group is obliged to acquire the 9,593,900 CCB Shares at the strike price according to the terms of the 1st ELN.

### **Summary of terms of 2nd ELN and 2nd Acquisition**

- |    |                       |                  |
|----|-----------------------|------------------|
| 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. | Final valuation date: | 11 February 2016 |
| 8. | Maturity date:        | 18 February 2016 |

Since the closing share price of CCB on the final valuation date is HK\$4.43 which was below the strike price of the ELN, the Group is obliged to acquire the 3,902,720 CCB Shares at the strike price according to the terms of the 2nd ELN.

### **Summary of terms of 3rd ELN and 3rd Acquisition**

- |    |                       |                  |
|----|-----------------------|------------------|
| 1. | Trade date:           | 8 December 2015  |
| 2. | Issuer:               | BNP Paribas      |
| 3. | Linked equity         | CCB              |
| 4. | Principal amount:     | HK\$100,000,000  |
| 5. | Issue price:          | HK\$5.23         |
| 6. | Strike price:         | HK\$4.9753       |
| 7. | Final valuation date: | 22 February 2016 |
| 8. | Maturity date:        | 29 February 2016 |

Since the closing share price of CCB on the final valuation date is HK\$4.66 which was below the strike price of the ELN, the Group is obliged to acquire the 20,099,200 CCB Shares at the strike price according to the terms of the 3rd ELN.

As the Acquisitions were made on the market, the Company is not aware of the identities of the sellers of the CCB Shares. To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, each of the sellers of the shares of CCB Shares and their ultimate beneficial owners are third parties independent of the Company and its connected persons (as defined in the Listing Rules).

## REASONS AND BENEFITS OF ACQUISITIONS

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

Having considered the track record of CCB Shares and its recent performance, the Company considers that the CCB Shares are an attractive investment and can enhance the returns on cash for the Group. The Group has received a total of an aggregate interest of HK\$4,257,000 during the period from 11 November 2015 (ie. the trading date of the 1st ELN) to 29 February 2016 (ie. the maturity date of the 3rd ELN). The Group shall have an unrealised aggregate loss of approximately HK\$14,820,000 which are the aggregate figures calculated from the difference between the closing price of each of the final valuation date and the strike price of each ELN. The Directors believe that the Acquired Shares are in themselves an attractive investment likely to yield attractive returns.

As the Acquired Shares were acquired at market prices, the Directors (including the independent non-executive Directors) are of the view that the Acquisitions are fair and reasonable, on normal commercial terms, and in the interests of Company and its Shareholders as a whole.

## INFORMATION ON CCB

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 third quarter and annual reports of CCB:

	<b>For the nine months ended 30 September 2015</b>	<b>For the year ended 31 December</b>	
	<i>RMB million</i>	<b>2014</b>	<b>2013</b>
		<i>RMB million</i>	<i>RMB million</i>
Revenue	442,299	556,740	511,140
Profit before taxation	244,584	299,086	279,806
Net profit after taxation			
attributable to shareholders of CCB	191,557	227,830	214,657
Total assets	18,321,375	16,744,130	15,363,210

## LISTING RULES IMPLICATIONS

As certain size percentage ratios under the Listing Rules in relation to the Acquisitions exceeds 25% but are less than 100% constitutes a major transaction of the Company under Chapter 14 of the Listing Rules, which is subject to the reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

So far as the Company is aware, having made all reasonable enquiries, no shareholder of Company has a material interest in, and would be required to abstain from voting on the resolution to approve the Acquisitions if the Company were to convene a general meeting for approving the Acquisitions.

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 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.

In compliance with Rule 14.60(7), a circular containing, among other things, details of the Acquisitions will be sent to Shareholders as soon as practicable, which is expected to be on 22 March 2016.

## DEFINITIONS

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

“1st ELN”	an equity linked note of CCB Shares for a principal amount of HK\$50,000,000
“1st Acquisition”	the acquisition by the Company, through its wholly-owned subsidiary, of 9,593,900 CCB Shares on 25 January 2016 (i.e. the final valuation date of the 1st ELN)
“2nd ELN”	an equity linked note of CCB Shares for a principal amount of HK\$20,000,000
“2nd Acquisition”	the acquisition by the Company, through its wholly-owned subsidiary, of 3,902,720 CCB Shares on 11 February 2016 (i.e. the final valuation date of the 2nd ELN)
“3rd ELN”	an equity linked note of CCB Shares for a principal amount of HK\$100,000,000
“3rd Acquisition”	the acquisition by the Company, through its wholly-owned subsidiary, of 20,099,200 CCB Shares on 22 February 2016 (i.e. the final valuation date of the 3rd ELN)
“Acquired Shares”	the acquisition of 33,595,820 CCB shares for a total consideration of HK\$170,000,000

“Acquisitions”	the aggregate acquisitions of the 1st Acquisition, 2nd Acquisition and 3rd Acquisition
“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(s)”	shares in the share capital of CCB
“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”	equity linked note(s) issued by BNP Paribas to Mark Profit Development Limited or Ace Winner Investment Limited, both are the wholly-owned subsidiaries of the Company
“discloseable transaction”	as defined in the Listing Rules
“major 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, 1 March 2016

*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.*