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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 OF CHINA CONSTRUCTION BANK CORPORATION

On 5 May 2016, the Group, through its wholly-owned subsidiary, purchased an ELN of CCB for a principal amount of HK\$45,000,000.

The Acquisition standing alone constitutes a discloseable transaction under Rule 14.06(2) of the Listing Rules as the certain applicable percentage ratios of the Acquisition exceed 5% but are less than 25%. The Acquisition is therefore subject to the reporting and announcement requirements under the Listing Rules. The Acquisition when aggregated with the Previous Acquisitions (details of which were set out in the Company's announcement dated 10 December 2015) still remains as a major transaction under the Listing Rules. Since the Company has complied with the major transaction requirements in respect of the completed transaction as set out in the Company's announcement dated 10 December 2015, the Company is not required to reclassify the Acquisition by aggregating it with Previous Acquisition.

#### THE ACQUISITION

Reference is made to the Company's announcement dated 10 December 2015 relating to the Previous Acquisitions of which the Group purchased 3 ELNs of CCB for an aggregate amount of HK\$170,000,000 during the period from 11 November 2015 to 8 December 2015.

On 5 May 2016, the Group, through its wholly-owned subsidiary, purchased an ELN of CCB for a principal amount of HK\$45,000,000.

#### Major Terms of ELN

- |    |                                   |                |
|----|-----------------------------------|----------------|
| 1. | Trade date:                       | 5 May 2016     |
| 2. | Issuer:                           | BNP Paribas    |
| 3. | Linked equity                     | CCB            |
| 4. | Principal amount:                 | HK\$45,000,000 |
| 5. | Issue price:                      | HK\$4.85       |
| 6. | Strike price:                     | HK\$4.2360     |
| 7. | Tenor:                            | 2 months       |
| 8. | 1 <sup>st</sup> Observation date: | 20 June 2016   |

\* for identification purposes only

9. 2<sup>nd</sup> Observation date: 19 July 2016
10. 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 CCB Share underlying the ELN.

ELN has two payoff possibilities of which the Company shall receive the full face value of the ELN and the coupon interest on the fixing date (i.e. 1st observation date and/or 2nd observation date) if the underlying stock price closes at or above the strike price of the embedded option. Conversely if the underlying stock price closes below the strike price of the embedded option, the Company will be obliged to take delivery of the underlying shares at the strike price. The number of shares to be received on maturity is calculated by dividing the ELN's full face value by the strike price of the embedded put option.

The maximum risk exposure of the Company is at the time when the Company is obliged to take delivery of the underlying shares at the strike price, and the total amount of the funds for the acquisition of the underlying shares is limited to the principal amount of the ELN.

### **Principal Amount**

The principal amount of the Acquisition shall be paid on 19 May 2016 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, securities investment and money lending.

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 three months ended 31 March 2016</b>	<b>For the year ended 31 December</b>	
	<i>RMB million</i>	<b>2015</b> <i>RMB million</i>	<b>2014</b> <i>RMB million</i>
Revenue	155,780	586,687	556,740
	88,144	298,497	299,086
Profit before taxation			
Net profit after taxation attributable to shareholders of CCB	67,952	228,145	227,830
Total assets	19,143,791	18,349,489	16,744,093

## LISTING RULES IMPLICATIONS

The Acquisition standing alone constitutes a discloseable transaction under Rule 14.06(2) of the Listing Rules as the applicable percentage ratios of the Acquisition exceed 5% but are less than 25%. The Acquisition is therefore subject to the reporting and announcement requirements under the Listing Rules. The Acquisition when aggregated with the Previous Acquisitions (details of which are set out in the Company's announcement dated 10 December 2015) still remains as a major transaction under the Listing Rules. Since the Company has complied with the major transaction requirements in respect of the completed transaction as set out in the Company's announcement dated 10 December 2015, the Company is not required to reclassify the Acquisition by aggregating it with the Previous Acquisition.

## 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 of CCB for a principal amount of HK\$45,000,000 on 5 May 2016
“Aggregate Acquisitions”	the aggregate transactions of the Acquisition and the Previous Acquisitions
“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)”	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
“discloseable transaction”	as defined in the Listing Rules
“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
“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
“Previous Acquisitions”	the purchase of 3 ELNs of CCB during the period from 11 November 2015 to 8 December 2015 for an aggregate principal amount of HK\$170,000,000
“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, 11 May 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.*