

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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 AGGREGATE PURCHASE OF EQUITY LINKED NOTE OF PING AN INSURANCE (GROUP) CO. OF CHINA LIMITED

The Group, through its wholly-owned subsidiary, purchased 2 ELNs of PAI for an aggregate principal amount of HK\$45,000,000 on 15 June 2016.

The Acquisitions standing alone constitutes a discloseable transaction under Rule 14.06(2) of the Listing Rules as the certain applicable percentage ratios of the Acquisitions exceed 5% but are less than 25%. The Acquisitions is therefore subject to the reporting and announcement requirements under the Listing Rules. The Acquisitions when aggregated with the Previous Acquisitions (details of which were set out in the Company's announcement dated 11 May 2016) 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 11 May 2016, the Company is not required to reclassify the Acquisitions by aggregating it with Previous Acquisitions.

THE ACQUISITIONS

Reference is made to the Company's announcement dated 11 May 2016 relating to the Previous Acquisitions of which the Group purchased 3 ELNs of PAI for an aggregate amount of HK\$119,000,000 during the period from 14 September 2015 to 5 May 2016.

On 15 June 2016, the Group, through its wholly-owned subsidiary, purchased 2 ELNs of PAI for an aggregate principal amount of HK\$45,000,000.

(1) Major Terms of ELN of the 1st Transaction

1.	Trade date:	15 June 2016
2.	Issuer:	BNP Paribas
3.	Linked equity	PAI
4.	Principal amount:	HK\$20,000,000
5.	Issue price:	HK\$33.688
6.	Average strike price:	HK\$30.3192
7.	Tenor:	2 months
8.	1 st Observation date:	29 July 2016
9.	2 nd Observation date:	29 August 2016
10.	Coupon rate:	15% per annum

* for identification purposes only

(2) Major Terms of ELN of the 2nd Transaction

1.	Trade Date:	15 June 2016
2.	Issuer:	BNP Paribas
3.	Linked equity	PAI
4.	Principal amount:	HK\$25,000,000
5.	Issue price:	HK\$33.688
6.	Strike price:	HK\$30.3158
7.	Tenor:	2 months
8.	1 st Observation date:	29 July 2016
9.	2 nd Observation date:	29 August 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 PAI 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 Acquisitions shall be paid on 29 June 2016 and be satisfied in cash from internal resources of the Company.

PRINCIPAL AMOUNT OF AGGREGATE ACQUISITION

The principal amount of the Aggregate Acquisition was HK\$164,000,000.

REASONS AND BENEFITS OF THE PURCHASE OF ELN

The Group's principal activities are property investment, property development, securities investment and money lending business.

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 PAI, the Directors (including the independent non-executive Directors) are of the view that the Acquisitions is fair and reasonable, on normal commercial terms and in the interests of the Company and its Shareholders as a whole.

INFORMATION ON PAI

According to publicly available information, PAI is a company incorporated in the PRC and the shares of which are listed and traded on the main board of the Stock Exchange (stock code: 2318). PAI is principally engaged in the provision of life insurance, property and casualty insurance, banking and other financial services.

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

	For the three months ended 31 March 2016	For the year ended 31 December	
	<i>RMB million</i>	2015 <i>RMB million</i>	2014 <i>RMB million</i>
Revenue	224,477	693,220	530,020
Profit before taxation	27,348	93,413	62,353
Net profit after taxation attributable to shareholders of PAI	20,700	54,203	39,279
Total assets	5,006,993	4,765,159	4,005,911

LISTING RULES IMPLICATIONS

The Acquisitions standing alone constitutes a discloseable transaction under Rule 14.06(2) of the Listing Rules as the certain applicable percentage ratios of the Acquisitions exceed 5% but are less than 25%. The Acquisitions is therefore subject to the reporting and announcement requirements under the Listing Rules. The Acquisitions when aggregated with the Previous Acquisitions (details of which were set out in the Company's announcement dated 11 May 2016) 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 11 May 2016, the Company is not required to reclassify the Acquisitions by aggregating it with Previous Acquisitions.

DEFINITIONS

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

“1st Transaction”	the purchase by the Group, through its wholly-owned subsidiary, of an ELN of PAI for a principal amount of HK\$20,000,000 on 15 June 2016
“2nd Transaction”	the purchase by the Group, through its wholly-owned subsidiary, of an ELN of PAI for a principal amount of HK\$25,000,000 on 15 June 2016
“ELN”	an equity linked note issued by BNP Paribas to Coconut King Limited, a wholly-owned subsidiary of the Company
“Acquisitions”	the aggregate of 1st Transaction and 2nd Transaction
“Aggregate Acquisitions”	the aggregate transactions of the Acquisitions and the Previous Acquisitions
“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
“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
“major transaction”	as defined in the Listing Rules
“PAI”	Ping An Insurance (Group) Co. of China Limited, the shares of which are listed on the main board of Stock Exchange (stock code: 2318)
“PAI Share”	overseas listed foreign shares of RMB1.00 each in the share capital of PAI which are listed on the Stock Exchange and traded in Hong Kong dollars
“percentage ratios”	as defined in the Listing Rules
“PRC”	the People’s Republic of China
“Previous Acquisitions”	The purchase of 3 ELNs of PAI during the period from 14 September 2015 to 5 May 2016 for an aggregate principal amount of HK\$119,000,000, details is set out in the circular of the Company dated 1 June 2016
“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, 21 June 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.