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EASYKNIT ENTERPRISES HOLDINGS LIMITED

永義實業集團有限公司*

(incorporated in Bermuda with limited liability)

(Stock Code: 0616)

MAJOR TRANSACTION ACQUISITION OF LISTED SECURITIES ON MATURITY OF EQUITY LINKED NOTE OF HONG KONG EXCHANGES AND CLEARING LIMITED

The Group acquired 320,334 HKEx Shares on 15 February 2016 which is the final valuation date of the ELN of HKEx.

As certain applicable percentage ratios of the Listing Rules of each of the 2nd Transaction and the Aggregate Acquisitions exceeds 25% but are less than 100%, therefore the 2nd Transaction and 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.

A circular containing, among other things, details of the 2nd Transaction, the Aggregate Acquisitions and a notice of the SGM will be despatched to the Shareholders on or before 16 March 2016.

INTRODUCTION

With reference to the Company's announcement dated 10 July 2015, the Group has acquired the 1st Transaction in July 2015 for a total consideration of HK\$43,616,000. In addition, in June and September 2015, a total of 6,233 HKEx Shares as scrip dividends were received by the Group.

2ND TRANSACTION

With reference to the Company's announcement dated 3 December 2015, the Group, through its wholly-owned subsidiary, purchased an ELN of HKEx for a principal amount of HK\$60,000,000 on 1 December 2015. Since the closing price of HKEx Shares on the final valuation date is HK\$167.50 which was below the strike price of the ELN, the Group is obligated to acquire 320,334 HKEx Shares at the strike price according to the terms of the ELN.

** for identification purposes only*

Summary of ELN Terms

1. Trade Date:	1 December 2015
2. Issuer:	Credit Suisse International
3. Linked equity	HKEx
4. Principal amount:	HK\$60,000,000
5. Issue price:	HK\$202.60
6. Strike price:	HK\$187.3037
7. Final valuation date:	15 February 2016
8. Maturity date:	22 February 2016

REASONS AND BENEFITS OF THE 2ND TRANSACTION

The principal business of the Company is investment holding. The Group's principal activities are property investment, comprising the ownership and rental of investment properties, property development, garment sourcing and export business, investment in securities and loan financing.

The ELN has a coupon rate of 15% per annum and the Company has received a total of HK\$1,500,000 interest up to the maturity date. For the 2nd Transaction, the Group shall have an unrealised loss of approximately HK\$6,344,000 on the maturity of the ELN (which is calculated from the difference between the closing price at the final valuation date and the strike price of 320,334 HKEx Shares); but the Directors believe that the 2nd Transaction in the long run is in themselves an attractive investment likely to yield attractive returns.

As the 2nd Transaction was made on the market, the Company is not aware of the identities of the sellers of the HKEx Shares. To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, each of the sellers of the HKEx Shares and their ultimate beneficial owners are third parties independent of the Company and its connected persons (as defined in the Listing Rules).

AGGREGATE ACQUISITIONS

To aggregate the acquisitions of the 1st Transaction, 2nd Transaction and Scrip Dividends, a total of 506,567 HKEx Shares was acquired for a total consideration of approximately HK\$105,110,500.

The Directors (including the non-executive Directors) are of the view that each of the 2nd Transaction and the Aggregate Acquisitions is fair and reasonable, on a normal commercial terms, and in the interest of the Company and its Shareholders as a whole.

INFORMATION ON HKEX

According to publicly available information, HKEx is a company incorporated in Hong Kong with limited liability and the shares of which are listed on the main board of the Stock Exchange (Stock Code: 388). According to its company profile available on the internet, HKEx is the holding company of the Stock Exchange, Hong Kong Futures Exchange Limited and Hong Kong Securities Clearing Company Limited and brings together the market organisations which have transformed Hong Kong's financial services industry from a domestically focused market to become a central market place in Asia attracting investment funds from all over the world. HKEx was listed in June 2000 following the integration of Hong Kong's securities and derivatives markets. HKEx services comprise trading, clearing and settlement, depository and nominee services, and information services.

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

	For the nine months ended 30 September 2015 <i>HK\$ million</i>	For the year ended 31 December	
		2014 <i>HK\$ million</i>	2013 <i>HK\$ million</i>
Total assets	293,411	251,860	85,943
Revenue	10,600	9,849	8,723
Profit before taxation	7,537	6,038	5,246
Net profit after taxation attributable to shareholders of HKEx	6,425	5,165	4,552

LISTING RULES IMPLICATIONS OF AGGREGATE ACQUISITIONS

As certain applicable percentage ratios of the Listing Rules of each of the 2nd Transaction and the Aggregate Acquisitions exceeds 25% but are less than 100%, therefore each of the 2nd Transaction and 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.

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 2nd Transaction and the Aggregate Acquisitions.

GENERAL

The SGM will be held for the Shareholders to consider and, if thought fit, pass the ordinary resolution to ratify and confirm the 2nd Transaction and the Aggregate Acquisitions. A circular containing, among other things, details of the Aggregate Acquisitions and a notice of the SGM will be despatched to the Shareholders on or before 16 March 2016.

DEFINITIONS

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

“1st Transaction”	the Group, through its wholly-owned subsidiary, acquired on the market 180,000 HKEx Shares in a series of transactions conducted in July 2015 for an aggregate purchase price of approximately HK\$43,616,000 (exclusive of transaction costs) as mentioned in the announcement of the Company dated 10 July 2015
“2nd Transaction”	the Group is obligated to acquire 320,334 HKEx Shares on 15 February 2016 which is the final valuation date of the ELN of HKEx
“Aggregate Acquisitions”	the aggregate acquisitions of the 1st Transaction, 2nd Transaction and the Scrip Dividends

“Board”	the board of Directors
“Company”	Easyknit Enterprises Holdings Limited, an exempted company incorporated in Bermuda with limited liability, the Shares of which are listed on the main board of the Stock Exchange
“Director(s)”	director(s) of the Company
“ELN”	an equity linked note issued by Credit Suisse International to Fanju Investments Limited, a wholly-owned subsidiary of the Company
“Group”	the Company and its subsidiaries
“HKEx”	Hong Kong Exchanges and Clearing Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the main board of the Stock Exchange (stock code: 388)
“HKEx Shares”	shares in the share capital of HKEx
“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
“Scrip Dividends”	the elections by the Group to take up HKEx Shares by way of scrip dividend under scrip dividend alternative plans of HKEx, a total of 6,233 HKEx Shares acquired by the Group in June and September 2015, at the prices between HK\$169.404 and HK\$286.640
“SGM”	the special general meeting of the Company to be convened and held to consider and, if thought fit, pass the ordinary resolution to ratify and confirm the Aggregate Acquisitions
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the issued Shares

“Stock Exchange”

The Stock Exchange of Hong Kong Limited

“%”

per cent

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

Hong Kong, 24 February 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. Kan Ka Hon, Mr. Lau Sin Ming and Mr. Foo Tak Ching as independent non-executive directors.