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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)

DISCLOSEABLE TRANSACTION ACQUISITION OF LISTED SECURITIES ON MATURITY OF EQUITY LINKED NOTE OF CHINA CONSTRUCTION BANK CORPORATION

The Group, through its wholly-owned subsidiary, acquired 3,485,847 shares of CCB on 18 February 2016 which is the final valuation date of the ELN of CCB.

The Acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules, as certain applicable percentage ratios exceeds 5% but is less than 25%.

THE ACQUISITION

With reference to the Company's announcement dated 8 December 2015, the Group, through its wholly-owned subsidiary, purchased an ELN of CCB for a principal amount of HK\$17,500,000 on 4 December 2015. Since the closing share price of CCB on the final valuation date is HK\$4.65 which was below the strike price of the ELN, the Group is obliged to acquire the 3,485,847 shares of CCB at the strike price according to the terms of the ELN.

Summary of ELN Terms

- | | |
|--------------------------|------------------|
| 1. Trade date: | 4 December 2015 |
| 2. Issuer: | BNP Paribas |
| 3. Linked equity | CCB |
| 4. Principal amount: | HK\$17,500,000 |
| 5. Issue price: | HK\$5.33 |
| 6. Strike price: | HK\$5.0203 |
| 7. Final valuation date: | 18 February 2016 |
| 8. Maturity date: | 25 February 2016 |

** for identification purposes only*

REASONS AND BENEFITS OF THE ACQUISITION

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\$437,500 interest up to the maturity date. For the Acquisition, the Group shall have an unrealised loss of approximately HK\$1,291,000 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 3,485,847 shares); but the Directors believe that the Acquisition in the long run is in themselves an attractive investment likely to yield attractive returns.

As the Acquisition was made on the market, the Company is not aware of the identities of the sellers of the CCB. 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 and their ultimate beneficial owners are third parties independent of the Company and its connected persons (as defined in the Listing Rules).

The Directors (including the non-executive Directors) are of the view that the Acquisition is fair and reasonable, on a normal commercial terms, and in the interest of the 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:

	For the nine months ended 30 September 2015	For the year ended 31 December	
	<i>RMB million</i>	2014 <i>RMB million</i>	2013 <i>RMB million</i>
Total assets	18,321,375	16,744,130	15,363,210
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

LISTING RULES IMPLICATIONS

As certain size percentage ratios (as set out in Rule 14.07) of the Listing Rules of the Acquisition exceeds 5% but are less than 25%, the Acquisition constitutes a discloseable transaction of the Company 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 Acquisition.

DEFINITIONS

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

“Acquisition”	the acquisition by the Group, through its wholly-owned subsidiary of 3,485,847 shares of CCB on 18 February 2016 (i.e. the final valuation date of the ELN)
“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 BNP Paribas to Fanju Investments Limited, a wholly-owned subsidiary of the Company
“Group”	the Company and its subsidiaries
“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)
“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
“discloseable 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\$0.01 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, 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. Kan Ka Hon, Mr. Lau Sin Ming and Mr. Foo Tak Ching as independent non-executive directors.