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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 ACQUISITION OF LISTED SECURITIES**

The Group acquired the Acquired Shares in a series of transactions conducted during the period from 8 November 2012 to 28 June 2013 for an aggregate price of approximately HK\$100,370,000 (exclusive of transaction costs).

The Acquisitions in aggregate constituted a major transaction of Easyknit International. So far as Easyknit International is aware, having made all reasonable enquiries, no shareholder of Easyknit International has a material interest in, and would be required to abstain from voting on the resolution to approve the Acquisitions if Easyknit International were to convene a general meeting to approve the Acquisitions.

Pursuant to Rule 14.44 of the Listing Rules, written shareholders' approval of the Acquisitions (including the Easyknit Enterprises Acquisition) has been obtained from Sea Rejoice Limited and Magical Profits Limited, which together hold approximately 58.69% of the issued Shares of Easyknit International.

### **THE ACQUISITIONS**

The Board announced on 6 December 2012 a discloseable transaction constituted by the acquisition by the Group on-market of an aggregate of 231,900 HKEx Shares during the period from 8 November 2012 to 4 December 2012. Subsequently, Easyknit International's subsidiary Easyknit Enterprises, through its wholly-owned subsidiary, acquired on 28 June 2013 a total of 241,020 HKEx Shares for an aggregate consideration of approximately HK\$29,776,000 or HK\$123.54 per HKEx Share, excluding transaction costs, on maturity of the ELN.

As a result of further Acquisitions subsequent to the discloseable transaction announced on 6 December 2012, of the Easyknit Enterprises Acquisition and of elections by the Group to take up further HKEx Shares by way of scrip dividend under scrip dividend alternative plans of HKEx, the total number of HKEx Shares acquired by the Group during the period from 8 November 2012 to 28 June 2013 increased to 774,735, and they were acquired at prices between HK\$123.10 and HK\$145.90 per HKEx Share (exclusive of transaction costs). The average price (exclusive of transaction costs) for the acquisition of each HKEx Share acquired by the Group during the period was approximately HK\$129.55. The aggregate purchase price of the Acquired Shares (exclusive of transaction costs) is approximately HK\$100,370,000, which was paid by the Group in cash. The purchase price paid represented the then market price of the HKEx Shares and was paid from internal resources of the Group.

*\* for identification only*

As the Acquisitions (except for the Easyknit Enterprises Acquisition and those that were scrip dividends) were made through the market, the Company was not aware of the identities of the sellers of the Acquired Shares (except in the Easyknit Enterprises Acquisition and those that were scrip dividends)) and accordingly, to the best knowledge, information and belief of the Directors having made all reasonable enquiries, the sellers of the Acquired Shares are Independent Third Parties.

The vendor of the HKEx Shares on maturity of the ELN and the issuer of the ELN was JPM. To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, JPM and its ultimate beneficial owners are Independent Third Parties.

On maturity of the ELN on 28 June 2013, Easyknit International's subsidiary Easyknit Enterprises, through its wholly-owned subsidiary acquired 241,020 HKEx Shares, representing approximately 0.0209% of the issued shares of HKEx based on 1,153,977,442 HKEx Shares in issue as at 31 May 2013 according to publicly available information. The terms of the ELN are summarised below:-

### **SUMMARY OF ELN TERMS**

Issue Price:	99.27% of the notional amount
Total Cost:	approximately HK\$ 29,776,000
Trade Date:	16 May 2013
Issue Date:	30 May 2013
Final Valuation Date:	26 June 2013
Maturity Date:	28 June 2013

### **Consideration**

The aggregate consideration of the Easyknit Enterprises Acquisition was paid to JPM on issue of the ELN and was satisfied in cash from internal resources of Easyknit Enterprises.

### **REASONS FOR AND BENEFITS OF THE ELN AND ACQUISITIONS**

The Group's principal businesses are in property investments, property development, garment sourcing and exporting businesses, investment in securities and loan financing. The Group currently holds various commercial, industrial and residential properties in Hong Kong, Singapore and the PRC.

Easyknit Enterprises is a subsidiary of Easyknit International. Easyknit Enterprises' principal businesses are property investment, garment sourcing and exporting businesses, investment in securities and loan financing.

Having considered the track record of HKEx and its recent performance, Easyknit International considers that the HKEx Shares are an attractive investment and can enhance the returns on cash for the Group, and Easyknit Enterprises considered that the ELN was an attractive investment and could enhance the returns on cash for it. Easyknit International expects to recognise in its consolidated accounts a loss of approximately HK\$1,583,000 on realisation of the ELN but the Directors believe that the HKEx Shares to be acquired are in themselves an attractive investment likely to yield attractive returns.

As the ELN and the Acquired Shares were acquired at market prices, the Directors (including the independent non-executive Directors) are of the view that the Acquisitions (including the

Easyknit Enterprises Acquisition) are fair and reasonable, on normal commercial terms, and in the interests of Easyknit International 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. Further information on HKEx can be found on the website of the Stock Exchange.

Based on the annual reports of HKEx for the two years ended 31 December 2011 and 31 December 2012 respectively, its net profits before and after taxation were approximately HK\$6,032 million and HK\$5,093 million for the year ended 31 December 2011; and HK\$4,845 million and HK\$4,084 million for the year ended 31 December 2012. It had total assets of HK\$54,028 million at 31 December 2011 and of HK\$80,837 million at 31 December 2012.

## **ACQUISITION AND DISPOSAL OF HKEX SHARES IN THE 12 MONTHS IMMEDIATELY PRECEDING THE DATE OF THIS ANNOUNCEMENT**

Save as aforesaid, the Group did not acquire or dispose of any HKEx Shares within the 12 months immediately preceding the date of this announcement.

## **LISTING RULES IMPLICATIONS**

As certain size percentage ratios (as set out in Rule 14.07 of the Listing Rules) of the Acquisitions (when aggregated under Rule 14.22 of the Listing Rules) exceed 25% but are less than 100%, the Easyknit Enterprises Acquisition (when aggregated with the other Acquisitions) constituted a major transaction of Easyknit International under Chapter 14 of the Listing Rules. Accordingly, the Acquisitions are subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

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

Pursuant to Rule 14.44 of the Listing Rules, written shareholders' approval of the Acquisitions (including the Easyknit Enterprises Acquisition) has been obtained from Sea Rejoice Limited and Magical Profits Limited, which together hold approximately 58.69% of the issued shares of Easyknit International.

Sea Rejoice Limited, which holds 17,429,664 shares, representing approximately 21.95% of the issued shares of Easyknit International, is wholly-owned by Ms. Lui Yuk Chu, the vice president and an executive director of Easyknit International and Easyknit Enterprises. Magical Profits Limited, which holds 29,179,480 shares, representing approximately 36.74% of the issued shares of Easyknit International is wholly-owned by Hang Seng Bank Trustee International Limited as 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, the daughter of Ms. Lui Yuk Chu and an executive director of Easyknit International and Easyknit Enterprises) 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 the Shareholders as soon as practicable, which is expected to be on 25 July 2013.

## DEFINITIONS

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

“Acquired Shares”	an aggregate of 774,735 HKEx Shares representing approximately 0.0671 % of the entire issued share capital of HKEx at 31 May 2013, being 1,153, 977,442 HKEx Shares
“Acquisitions”	the acquisition of the Acquired Shares by the Group disclosed in this announcement
“Board”	the board of Directors
“Company” or “Easyknit International”	Easyknit International Holdings Limited, an exempted company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange
“connected person”	the meaning ascribed thereto in the Listing Rules
“Director(s)”	director(s) of Easyknit International
“ELN”	an equity linked note issued by JPM to Land Bloom Holdings Limited a wholly-owned subsidiary of Easyknit Enterprises
“Easyknit Enterprises”	Easyknit Enterprises Holdings Limited, an exempted company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange and a non-wholly owned subsidiary of the Company
“Easyknit Enterprises Acquisition”	the acquisition on 28 June, 2013 by Easyknit Enterprises, through its wholly-owned subsidiary of 241,020 HKEx Shares on maturity of the ELN
“Group”	the Company International 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 with a par value of HK\$1.00 each 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
“Independent Third Party”	third party independent of the Company and connected persons of the Company
“JPM”	J.P. Morgan Structured Products BV
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“major transaction”	the meaning ascribed thereto 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 Easyknit International
“Shareholder(s)”	holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

By Order of the Board  
**Easyknit International Holdings Limited**  
**Kwong Jimmy Cheung Tim**  
*President and Chief Executive Officer*

Hong Kong, 4 July 2013

*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 as non-executive director and Mr. Tsui Chun Kong, Mr. Jong Koon Sang and Mr. Hon Tam Chun as independent non-executive directors.*