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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

The Company, through its wholly-owned subsidiary is obliged to acquire a total of 241,020 HKEx Shares for an aggregate consideration of HK\$29,781,000 on 28 June 2013 on maturity of the ELN.

The Acquisition constitutes a major transaction of the Company.

THE ACQUISITION

The Company, through its wholly-owned subsidiary is obliged to acquire on 28 June 2013 a total of 241,020 HKEx Shares for an aggregate consideration of HK\$29,781,000 or HK\$123.6672 per HKEx Share, excluding transaction costs on maturity of the ELN.

The vendor of the HKEx Shares and the issuer of the ELN is 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 third parties independent of the Company and its connected persons (as defined in the Listing Rules).

Assets to be Acquired

On maturity of the ELN on 28 June 2013, the Group is obliged to acquire 241,020 HKEx Shares, representing approximately 0.0209% of the issued shares of HKEx based on the 1,153,977,422 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:	HK\$29,781,000
Trade Date:	16 May 2013
Issue Date:	30 May 2013
Final Valuation Date:	26 June 2013
Maturity Date:	28 June 2013

* *for identification only*

Consideration

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

REASONS FOR AND BENEFITS OF THE ELN AND ACQUISITION

The Group's principal businesses are property investments, garment sourcing and exporting businesses, investment in securities and loan financing.

Having considered the track record of HKEx and its recent performance, the Company considered that the ELN was an attractive investment and could enhance the returns on cash for the Company. The Company expects to recognise a loss of HK\$1,916,110 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 was acquired and the underlying HKEx Shares will be acquired at market price, 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 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.

LISTING RULES IMPLICATIONS

As certain size percentage ratios (as set out in Rule 14.07 of the Listing Rules) of the Acquisition exceed 25% but are less than 100%, the Acquisition constitutes a major transaction of the Company under Chapter 14 of the Listing Rules. Accordingly, the Acquisition is subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

At the date of this announcement and to the best of the Director's knowledge, information and belief, there is no Shareholder who has a material interest in the Acquisition other than by reason of being a Shareholder.

A circular containing, among other things, details of the Acquisition and notice of the special general meeting to be convened to approve it, will be sent to the Shareholders as soon as practicable.

DEFINITIONS

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

“Acquisition”	the acquisition by the Company, through its wholly-owned subsidiary, of a total of 241,020 HKEx Shares to take place on 28 June 2013 on maturity 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 Stock Exchange
“Director(s)”	director(s) of the Company
“ELN”	an equity linked note issued by JPM to Land Bloom Holdings 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 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
“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\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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

Hong Kong, 27 June 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. Kan Ka Hon, Mr. Lau Sin Ming and Mr. Foo Tak Ching as independent non-executive directors.