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JOINT ANNOUNCEMENT



**EASYKNIT INTERNATIONAL
HOLDINGS LIMITED**
永義國際集團有限公司
(Incorporated in Bermuda with limited liability)
(Stock Code: 1218)



EMINENCE ENTERPRISE LIMITED
高山企業有限公司
(Incorporated in Bermuda with limited liability)
(Stock Code: 616)

DISCLOSEABLE TRANSACTION

ACQUISITION OF EQUITY LINKED NOTE

THE ACQUISITION

On 19 April 2022, Fanju acquired the ELN which is linked to BOC HK shares for a principal amount of HK\$20,000,000 (before expenses).

LISTING RULES IMPLICATIONS

Eminence is a non-wholly owned subsidiary of Easyknit. As Fanju is a direct wholly-owned subsidiary of Eminence, Fanju is in turn also an indirect non-wholly owned subsidiary of Easyknit.

As one of the applicable percentage ratios (as defined under the Listing Rules) for Easyknit in respect of the Acquisition, on a standalone basis or aggregated with the Previous Acquisition in the past 12 months exceeds 5% but is less than 25% pursuant to Rule 14.07 of the Listing Rules, the Acquisition constitutes a discloseable transaction for Easyknit under Rule 14.06(2) of the Listing Rules and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

As one or more of the applicable percentage ratios (as defined under the Listing Rules) for Eminence in respect of the Acquisition exceed(s) 5% but is/are less than 25% pursuant to Rule 14.07 of the Listing Rules, the Acquisition constitutes a discloseable transaction for Eminence under Rule 14.06(2) of the Listing Rules and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

THE ACQUISITION

On 19 April 2022, Fanju acquired the ELN which is linked to BOC HK shares for a principal amount of HK\$20,000,000 (before expenses).

Set out below are the principal terms of the ELN:

Trade date:	19 April 2022
Principal amount:	HK\$20,000,000
Coupon rate:	15% per annum
Bank:	BNP PARIBAS
Issuer:	Citigroup Global Markets Funding Luxembourg S.C.A.
Linked equity:	BOC HK shares
Issue price:	HK\$29.3693
Strike price:	HK\$27.3369
Tenor:	Two (2) months
Issue date:	3 May 2022
Final valuation date:	4 July 2022
Maturity date:	6 July 2022
Redemption:	If, at the final valuation date: <ul style="list-style-type: none">(a) the closing price of BOC HK share is equal to, or greater than, its strike price, holder of the ELN will receive, on the maturity date, full face value of the ELN and the interest; or(b) the closing price of BOC HK share is lower than its strike price, holder of the ELN will receive, on the maturity date, a specified number of BOC HK shares calculated based on the strike price and the interest.

The principal amount of the Acquisition will be satisfied in cash from internal resources of the Eminence Group. The consideration and the terms and conditions of the ELN were negotiated between the Issuer and Fanju on an arm's length basis with reference to the recent closing prices of BOC HK shares.

To the best of the knowledge, information and belief of the Easyknit Directors and the Eminence Directors having made all reasonable enquiries, the Issuer and its ultimate beneficial owners are Independent Third Parties.

PREVIOUS ACQUISITION

On 13 April 2022, Constance acquired an equity linked note issued by HSBC Bank plc, which was linked to BOC HK shares, for a tenor of two (2) months carrying a coupon rate of 15% per annum for a principal amount of HK\$10,000,000 (before expenses). The Previous Acquisition itself did not constitute a disclosable transaction for Easyknit under Chapter 14 of the Listing Rules.

INFORMATION ON BOC HK

According to publicly available information, BOC HK is an investment holding company principally engaged in the provision of banking and related financial services. BOC HK operates its business through four segments: personal banking, corporate banking, treasury and insurance. BOC HK's principal subsidiaries include Bank of China (Hong Kong) Limited, BOC Group Life Assurance Company Limited, Chiyu Banking Corporation Limited, BOC Credit Card (International) Limited and Po Sang Securities and Futures Limited. BOC HK is a limited company incorporated in Hong Kong, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 2388).

The following information is extracted from BOC HK's annual report 2021:

	For the year ended	
	31 December	
	2021	2020
	<i>HK\$ million</i>	<i>HK\$ million</i>
	<i>(audited)</i>	<i>(audited)</i>
Total operating income	65,575	76,641
Profit before taxation	29,968	33,583
Profit for the year	24,999	28,468

As extracted from BOC HK's annual report 2021, the audited total assets and net assets value of BOC HK as at 31 December 2021 were approximately HK\$3,639,430 million and HK\$327,461 million respectively.

INFORMATION ON THE GROUP AND FANJU

Easyknit is an investment holding company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1218). The Easyknit Group is principally engaged in property development, property investment, securities investment and loan financing businesses.

Eminence is an investment holding company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 616). As at the date of this joint announcement, Eminence is owned as to approximately 62.30% by Easyknit, and thus is a non-wholly owned subsidiary of Easyknit. The Eminence Group is principally engaged in property development, property investment, securities investment and loan financing businesses.

Fanju, a direct wholly-owned subsidiary of Eminence and an indirect non-wholly owned subsidiary of Easyknit, is incorporated in the BVI with limited liability. The principal business of Fanju is securities investment.

REASONS AND BENEFITS OF THE ACQUISITION

The Acquisition forms part of the Group's principal business activities in investment in financial instruments and presents an opportunity for the Group to generating returns to the Group. In addition, the interest rate of the ELN is higher than the interest rates of HK\$ fixed deposit offered by commercial banks in Hong Kong. Having considered the above factors and the present market conditions of the stock market, the Easyknit Board and the Eminence Board are of the view that the terms of the ELN are fair and reasonable, on normal commercial terms and the Acquisition is in the interests of Easyknit and Eminence and their respective shareholders as a whole.

LISTING RULES IMPLICATIONS

Eminence is a non-wholly owned subsidiary of Easyknit. As Fanju is a direct wholly-owned subsidiary of Eminence, Fanju is in turn also an indirect non-wholly owned subsidiary of Easyknit.

As one of the applicable percentage ratios (as defined under the Listing Rules) for Easyknit in respect of the Acquisition, on a standalone basis or aggregated with the Previous Acquisition in the past 12 months exceeds 5% but is less than 25% pursuant to Rule 14.07 of the Listing Rules, the Acquisition constitutes a discloseable transaction for Easyknit under Rule 14.06(2) of the Listing Rules and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

As one or more of the applicable percentage ratios (as defined under the Listing Rules) for Eminence in respect of the Acquisition exceed(s) 5% but is/are less than 25% pursuant to Rule 14.07 of the Listing Rules, the Acquisition constitutes a discloseable transaction for Eminence under Rule 14.06(2) of the Listing Rules and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

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

“Acquisition”	the acquisition of the ELN of BOC HK for a principal amount of HK\$20,000,000 (before expenses) by Fanju on 19 April 2022
“BOC HK”	BOC Hong Kong (Holdings) 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: 2388)
“BVI”	the British Virgins Islands

“Constance”	Constance Capital Limited, an indirect wholly-owned subsidiary of Easyknit and a company incorporated in Hong Kong with limited liability, which is principally engaged in securities dealing and broking
“Easyknit”	Easyknit International 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 (Stock Code: 1218)
“Easyknit Board”	the board of directors of Easyknit
“Easyknit Directors”	the directors of Easyknit
“Easyknit Group”	Easyknit and its subsidiaries
“ELN”	the equity linked note issued by the Issuer to Fanju
“Eminence”	Eminence Enterprise Limited, an exempted company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 616), and an approximately 62.30%-owned subsidiary of Easyknit
“Eminence Board”	the board of directors of Eminence
“Eminence Directors”	the directors of Eminence
“Eminence Group”	Eminence and its subsidiaries
“Fanju”	Fanju Investments Limited, a company incorporated in the BVI with limited liability, and a direct wholly-owned subsidiary of Eminence and an indirect non-wholly owned subsidiary of Easyknit
“Group”	collectively, the Easyknit Group and the Eminence Group
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	person(s) (and in the case of company(ies) and corporation(s), their ultimate beneficial owner(s)) who, to the best knowledge and belief of the Easyknit Directors and the Eminence Directors, as the case may be, having made all reasonable enquiries, is/are third party(ies) independent of and not connected with Easyknit or Eminence, as the case may be, and their respective connected persons (as defined in the Listing Rules)

“Issuer”	Citigroup Global Markets Funding Luxembourg S.C.A.
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Main Board”	the main board maintained and operated by the Stock Exchange
“PRC”	the People’s Republic of China
“Previous Acquisition”	on 13 April 2022, Constance acquired an equity linked note issued by HSBC Bank plc, which was linked to BOC HK shares, for a tenor of two (2) months carrying a coupon rate of 15% per annum for a principal amount of HK\$10,000,000 (before expenses)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

By order of the Easyknit Board
**EASYKNIT INTERNATIONAL
HOLDINGS LIMITED**
Koon Ho Yan Candy
President and Chief Executive Officer

By order of the Eminence Board
**EMINENCE
ENTERPRISE LIMITED**
Lai Law Kau
Chairman and Chief Executive Officer

Hong Kong, 20 April 2022

As at the date hereof, the Easyknit Board comprises Ms. Koon Ho Yan Candy, Ms. Lui Yuk Chu and Mr. Tse Wing Chiu Ricky as executive Easyknit Directors; and Mr. Tsui Chun Kong, Mr. Jong Koon Sang and Mr. Lau Chak Hang Charles as independent non-executive Easyknit Directors.

As at the date hereof, the Eminence Board comprises Mr. Lai Law Kau, Ms. Lui Yuk Chu and Mr. Kwong Jimmy Cheung Tim as executive Eminence Directors; and Mr. Kan Ka Hon, Mr. Lau Sin Ming and Mr. Wu Koon Yin Welly as independent non-executive Eminence Directors.

In case of any inconsistency, the English version of this joint announcement shall prevail over the Chinese version.