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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)**

### **DISCLOSEABLE TRANSACTION ACQUISITIONS OF LISTED SECURITIES**

#### **THE ACQUISITIONS**

The Company, through Ace Winner, a wholly-owned subsidiary of the Company, acquired on-market a total of 31,065,000 EE Shares during the Relevant Period for an aggregate purchase price of approximately HK\$17,647,100 (exclusive of transaction costs) (equivalent to an average price of approximately HK\$0.568 per Acquired Share).

#### **LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Acquisitions exceed 5% but are less than 25%, the Acquisitions constitute a discloseable transaction of the Company and are therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

Reference is made to the announcement of the Company dated 13 February 2020 relating to the Company, through Ace Winner, acquired on-market a total of 20,890,000 EE Shares between 12 February 2020 and 13 February 2020.

#### **THE ACQUISITIONS**

The Board is pleased to announce that the Company, through Ace Winner, a wholly-owned subsidiary of the Company, acquired on-market a total of 31,065,000 EE Shares during the Relevant Period. The average price (exclusive of transaction costs) for acquiring each of the EE Share was approximately HK\$0.568 and the aggregate purchase price (exclusive of transaction costs) was approximately HK\$17,647,100, which was the market price of the EE Shares. The aggregate purchase price was paid in cash from internal resources of the Group.

*\* for identification purposes only*

The average purchase price of approximately HK\$0.568 per Acquired Share represents:

- (i) a discount of approximately 9.84% to the closing price of HK\$0.630 per EE Share as quoted on the Stock Exchange on 21 February 2020;
- (ii) a discount of approximately 5.96% to the average of the closing prices of the EE Shares as quoted on the Stock Exchange for the last five (5) consecutive trading days up to including 21 February 2020 of approximately HK\$0.604 per EE Share; and
- (iii) a premium of approximately 1.97% to the average of the closing prices of the EE Shares as quoted on the Stock Exchange for the last ten (10) consecutive trading days up to including 21 February 2020 of approximately HK\$0.557 per EE Share.

Immediately prior to the Acquisitions, the Company, through Ace Winner, Goodco and Landmark Profits (all of which are wholly-owned subsidiaries of the Company), held a total of 205,722,665 EE Shares, representing approximately 22.09% of the total issued share capital of Eminence. Following the Acquisitions, which Ace Winner acquired a total of 31,065,000 EE Shares, the Group holds a total of 236,787,665 EE Shares, representing approximately 25.42% of the total issued share capital of Eminence and Eminence remains as an associated company (in accordance with the Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants) of the Company.

As the Acquisitions were made through the market, the Company was not aware of the identities of the seller(s) of the EE Shares and accordingly, to the best knowledge, information and belief of the Directors having made all reasonable enquiries, the seller(s) of the EE Shares and their respective ultimate beneficial owner(s) (where applicable) are Independent Third Parties.

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

The Group's principal businesses are property investment, property development, securities investment and loan financing business.

The Acquisitions are in align with the Group's principal business on securities investments and having considered the recent performance of Eminence, the Company considers that the Acquisitions are an attractive investment and can enhance the returns on cash for the Group.

As the Acquisitions were made at market price, the Board is of the view that the Acquisitions are fair and reasonable, on normal commercial terms and in the interests of the Company and its Shareholders as a whole.

## **INFORMATION ON EMINENCE**

According to publicly available information, Eminence is an investment holding company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange (Stock Code: 616). Eminence and its subsidiaries are principally engaged in property investment, property development, securities investment and loan financing business.

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

|   | <b>For the six months ended<br/>30 September 2019</b> | <b>For the year ended<br/>31 March</b> |                               |
|---|---|--|-------------------------------|
|   |   | <b>2019</b>                            | <b>2018</b>                   |
|   | <i>HK\$'000<br/>(unaudited)</i>                       | <i>HK\$'000<br/>(audited)</i>          | <i>HK\$'000<br/>(audited)</i> |
| Revenue   | 39,950  | 62,228                                 | 49,605                        |
| (Loss)/Profit before tax                                  | (12,503)  | 50,910                                 | 54,608                        |
| (Loss)/Profit attributable to<br>shareholders of Eminence | (12,369)  | 50,510                                 | 53,539                        |

As extracted from the interim report for the six months ended 30 September 2019 of Eminence, the net assets value of Eminence was approximately HK\$2,788,849,000 as at 30 September 2019.

### **INFORMATION ON ACE WINNER AND THE GROUP**

The Company 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 Group is principally engaged in property investment, property development, securities investment and loan financing business.

Ace Winner, a wholly-owned subsidiary of the Company, is incorporated under the laws of Hong Kong with limited liability. The principal business of Ace Winner is investment holding.

### **LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Acquisitions exceed 5% but are less than 25%, the Acquisitions constitute a discloseable transaction of the Company and are therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

Referring to the Previous Acquisitions and Rights Issue, they in aggregate constitute a major transaction of the Company, therefore the Previous Acquisitions and Rights Issue are subject to the reporting, announcement and Shareholders' approval requirements pursuant to the Listing Rules, details of which could be found in the announcement of the Company dated 13 February 2020.

The Acquisitions when aggregating with the Previous Acquisitions and the Rights Issue remain a major transaction of the Company. Pursuant to Rule 14.44 of the Listing Rules, in lieu of a resolution to be passed at a general meeting of the Company, written approvals of the major transaction of the Company have been obtained from Sea Rejoice Limited and Magical Profits Limited, the substantial shareholders of the Company with an aggregated interest of 46,609,144 Shares, representing approximately 51.04% of the issued share capital of Company as at the date of this announcement. Therefore, the Acquisitions are only subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

## DEFINITIONS

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

|                                |   |
|--------------------------------|---|
| “Ace Winner”                   | Ace Winner Investment Limited, a company incorporated in Hong Kong with limited liability, a wholly-owned subsidiary of the Company and a shareholder of Eminence   |
| “Acquired Share(s)”            | a total of 31,065,000 EE Shares acquired by Ace Winner on-market during the Relevant Period   |
| “Acquisitions”                 | the acquisitions by Ace Winner on-market a total of 31,065,000 EE Shares during the Relevant Period for an aggregate purchase price of approximately HK\$17,647,100 (exclusive of transaction costs)  |
| “Board”                        | the board of Directors  |
| “Company”                      | 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)                                      |
| “Directors”                    | the directors of the Company  |
| “discloseable transaction”     | as defined in the Listing Rules   |
| “EE Share(s)”                  | ordinary share(s) of par value HK\$0.20 each in the share capital of Eminence   |
| “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)   |
| “Goodco”                       | Goodco Development Limited, a company incorporated in the British Virgin Islands with limited liability, a wholly-owned subsidiary of Company, and a substantial shareholder of Eminence  |
| “Group”                        | the Company and its subsidiaries  |
| “Hong Kong”                    | the Hong Kong Special Administrative Region of the PRC  |
| “Independent Third Party(ies)” | person(s) which, to the best knowledge and belief of the Directors having made all reasonable enquiries, is/are third parties independent of and not connected with the Company and its connected persons (as defined in the Listing Rules) |

|                         |  |
|-------------------------|--|
| “Landmark Profits”      | Landmark Profits Limited, a company incorporated in the British Virgin Islands with limited liability, a wholly-owned subsidiary of the Company and a shareholder of Eminence  |
| “Listing Rules”         | the Rules Governing the Listing of Securities on the Stock Exchange  |
| “major transaction”     | as defined in the Listing Rules  |
| “PRC”                   | the People’s Republic of China   |
| “Previous Acquisitions” | the acquisitions by Ace Winner on-market a total of 20,890,000 EE Shares between 12 February 2020 and 13 February 2020 for an aggregate purchase price of HK\$10,543,700 (exclusive of transaction costs), details of which could be found in the announcement of the Company dated 13 February 2020 |
| “Relevant Period”       | the period from 14 February 2020 to 21 February 2020 (both dates inclusive)  |
| “Rights Issue”          | the rights issue of Eminence which the Company, through Goodco and Landmark Profits, had subscribed in fully the provisional allotment of 147,866,132 EE Shares, details of the rights issue are found in the prospectus of Eminence dated 16 January 2020   |
| “Share(s)”              | ordinary share(s) of par value HK\$0.10 each in the share capital of the Company   |
| “Shareholder(s)”        | holder(s) of the shares of the Company   |
| “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 Board  
**Easyknit International Holdings Limited**  
**Tse Wing Chiu Ricky**  
*President and Chief Executive Officer*

Hong Kong, 21 February 2020

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