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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 ACQUISITIONS OF LISTED SECURITIES

THE ACQUISITIONS

The Company, through Ace Winner, a wholly-owned subsidiary of the Company, acquired 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) (equivalent to an average price of approximately HK\$0.505 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 and the Rights Issue exceed 25% but are less than 100%, the Acquisitions and the Rights Issue in aggregate constitute a major transaction under Rule 14.06(3) of the Listing Rules, and is therefore subject to the reporting, announcement and Shareholders' approval requirements under the Listing Rules.

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 Acquisitions have been obtained from Sea Rejoice Limited and Magical Profits Limited, the substantial shareholders of the Company with an aggregate interest in 46,609,144 Shares, representing approximately 51.04% of the issued Shares as at the date of this announcement.

GENERAL

A circular containing, among other things, details of the Acquisitions will be despatched to the Shareholders on or before 5 March 2020.

Reference is made to the joint announcement dated 6 November 2019 published by the Company and Eminence in relation to, inter alia, the full acceptance of allotment under the proposed rights issue of Eminence.

** for identification purposes only*

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 20,890,000 EE Shares between 12 February 2020 and 13 February 2020. The average price (exclusive of transaction costs) for acquiring each of EE Share was approximately HK\$0.505 and the aggregate purchase price (exclusive of transaction costs) was HK\$10,543,700, which was the market price of EE Shares. The aggregate purchase price was paid in cash from internal resources of the Group.

The average acquisition price of approximately HK\$0.505 per Acquired Share represents:

- (i) a discount of approximately 4.72% to the closing price of HK\$0.53 per EE Share as quoted on the Stock Exchange on 13 February 2020;
- (ii) a premium of approximately 1.81% to the average of the closing prices of EE Shares as quoted on the Stock Exchange for the last five (5) consecutive trading days up to including 13 February 2020 of approximately HK\$0.496 per EE Share; and
- (iii) a premium of approximately 2.85% to the average of the closing prices of EE Shares as quoted on the Stock Exchange for the last ten (10) consecutive trading days up to including 13 February 2020 of approximately HK\$0.491 per EE Share.

Immediately prior to the Acquisitions, the Company, through Goodco and Landmark Profits (both of which are wholly-owned subsidiaries of the Company), held a total of 184,832,665 EE Shares, representing approximately 19.84% of the total issued share capital of Eminence. Following the Acquisitions, which Ace Winner acquired a total of 20,890,000 EE Shares, the Group holds a total of 205,722,665 EE Shares, representing approximately 22.09% 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 Accounts) of the Company.

As the Acquisitions were made through the market, the Company was not aware of the identities of the seller(s) of EE Shares and accordingly, to the best knowledge, information and belief of the Directors having made all reasonable enquiries, the seller(s) of 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:

	For the six months ended 30 September 2019	For the year ended 31 March	
		2019	2018
	<i>HK\$'000 (unaudited)</i>	<i>HK\$'000 (audited)</i>	<i>HK\$'000 (audited)</i>
Revenue	39,950	62,228	49,605
(Loss)/Profit before tax	(12,503)	50,910	54,608
(Loss)/Profit attributable to 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 and the Rights Issue exceed 25% but are less than 100%, the Acquisition and the Rights Issue in aggregate constitute a major transaction under Rule 14.06(3) of the Listing Rules, and is therefore subject to the reporting, announcement and Shareholders' approval requirements under the Listing Rules.

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

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 Acquisitions have been obtained from Sea Rejoice Limited and Magical Profits Limited, the substantial shareholders of the Company with an aggregate interest in 46,609,144 Shares, representing approximately 51.04% of the issued Shares as at the date of this announcement. Sea Rejoice Limited which holds 17,429,664 Shares, representing approximately 19.09% of the issued Shares, is wholly-owned by Ms. Lui Yuk Chu, the vice president and executive Director. Magical Profits Limited, which holds 29,179,480 Shares, representing approximately 31.95% of the issued Shares is wholly-owned by Accumulate More Profits Limited which in turn is wholly-owned by The Winterbotham Trust Company Limited as trustee of The Magical 2000 Trust (the beneficiaries of which include Ms. Lui Yuk Chu's family members (including Ms. Koon Ho Yan Candy, daughter of Ms. Lui Yuk Chu and an executive Director) but excluding Ms. Luk Yuk Chu and her spouse). Sea Rejoice Limited and Magical Profits Limited are therefore a "closely allied group of shareholders" for the purpose of the Listing Rules.

GENERAL

A circular containing, among other things, details of the Acquisitions will be despatched to the Shareholders on or before 5 March 2020.

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 and a wholly-owned subsidiary of Company
“Acquired Share(s)”	a total of 20,890,000 EE Shares acquired by Ace Winner on-market between 12 February 2020 and 13 February 2020
“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).
“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
“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
“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, 13 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.