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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)



**EMINENCE ENTERPRISE LIMITED
高山企業有限公司**

(Incorporated in Bermuda with limited liability)
(Stock Code: 616)

JOINT ANNOUNCEMENT

**VERY SUBSTANTIAL DISPOSAL
AND
RESUMPTION OF TRADING**

**VERY SUBSTANTIAL
ACQUISITION, CONNECTED
TRANSACTION,
ISSUE OF CONVERTIBLE NOTE
AND
RESUMPTION OF TRADING**

INTRODUCTION

On 30 November 2022 (after trading hours), Easyknit Properties, a wholly-owned subsidiary of Easyknit, entered into the Sale and Purchase Agreements with Eminence pursuant to which, amongst other things (i) Easyknit Properties (as the seller) conditionally agreed to sell, and Eminence (as the buyer) conditionally agreed to acquire, the entire issued share capital of each of the Sale Companies (all being indirect wholly-owned subsidiaries of Easyknit); and (ii) Easyknit Properties agreed to procure the assignment of the Sale Loans to Eminence or its nominee, at an aggregate consideration of HK\$340,000,000 less a sum equal to the amount of Bank Loans outstanding at the Completion Date.

THE SALE AND PURCHASE AGREEMENTS

Assets to be acquired and disposed of

The Sale and Purchase Agreements relate to the entire issued share capital of each of the Sale Companies and the shareholder's loans owing by each of the Sale Companies to the Easyknit Group at Completion. The sole material asset of each of the Sale Companies is a separate commercial property in Hong Kong.

Net purchase price and settlement arrangement

The Net Purchase Price of HK\$214,000,000 shall be paid by Eminence to Easyknit Properties in the following manner: (i) deposits of HK\$500,000 in aggregate were paid in cash by Eminence to Easyknit Properties upon the signing of the Sale and Purchase Agreements; (ii) sums of HK\$4,500,000 in aggregate, shall be paid in cash by Eminence to Easyknit Properties or its nominee and the deposits shall be retained by Easyknit Properties as part of the Net Purchase Price, on the Completion Date; and (iii) the balance of the Net Purchase Price of HK\$209,000,000 will be satisfied by the issue of the 2023 Convertible Note on the Completion Date.

Conditions Precedent

Completion of the Sale and Purchase Agreements is conditional upon amongst other things, (i) Eminence having obtained the requisite approval from the Eminence Independent Shareholders in a general meeting in relation to the Sale and Purchase Agreements and the transactions contemplated thereunder; (ii) Easyknit having obtained the requisite approval from the Easyknit Shareholders in a general meeting in relation to Sale and Purchase Agreements and the transactions contemplated thereunder; and (iii) the Stock Exchange having granted to Eminence a listing of, and permission to deal in, the Conversion Shares on the exercise of the Conversion Rights attached to the 2023 Convertible Note.

LISTING RULES IMPLICATIONS

Easyknit

As one or more of the percentage ratios applicable to the sale of the Sale Companies exceeds 75%, that sale is a very substantial disposal for Easyknit and the Sale and Purchase Agreements are subject to the reporting, announcement and the Easyknit Shareholders' approval requirements under Chapter 14 of the Listing Rules.

Eminence

As one or more of the percentage ratios applicable to the purchase of the Sale Companies exceeds 100%, the Acquisition is a very substantial acquisition for Eminence.

Easyknit Properties is a wholly-owned subsidiary of Easyknit and thus a member of the Easyknit Group. Easyknit together with its subsidiaries own approximately 51.60% of the issued share capital of Eminence at the date of this joint announcement. As members of the Easyknit Group are connected persons of Eminence, each of the Sale and Purchase Agreements constitutes a connected transaction for Eminence. One or more of the applicable percentage ratios applicable to the purchase of the Sale Companies exceeds 25% and the total consideration exceeds HK\$10,000,000. The Sale and Purchase Agreements are subject to the reporting, announcement, and the Eminence Independent Shareholders' approval requirements under Chapter 14 and Chapter 14A of the Listing Rules.

An application has been made by Eminence to the Stock Exchange for a waiver from strict compliance with Rule 14.06B of the Listing Rules and the Stock Exchange has granted the waiver.

JOINT CIRCULAR

A joint circular containing, among other things, (i) further details of the Sale and Purchase Agreements; (ii) financial information on the Post-Transaction Easyknit Group; (iii) financial information on the Post-Transaction Eminence Group; (iv) an independent property valuation report on the Properties; (v) a letter of recommendation from the Eminence Independent Board Committee to the Eminence Independent Shareholders; (vi) a letter of recommendation to the Eminence Independent Board Committee and the Eminence Independent Shareholders from the Eminence Independent Financial Adviser; (vii) a notice convening the Easyknit SGM; (viii) a notice convening the Eminence SGM; and (ix) other information required under the Listing Rules, is expected to be despatched to the Easyknit Shareholders and the Eminence Shareholders on or before 30 January 2023. That date is more than fifteen (15) Business Days after the publication of this joint announcement and the delay in despatch is expected because of the time required to collate relevant information to be included in the joint circular and the forthcoming holiday season.

WARNING

Completion of the Sale and Purchase Agreements is subject to the fulfillment of a number of conditions precedent, which among other things, include the approval of the Easyknit Shareholders and the approval of the Eminence Independent Shareholders. Hence, the transactions contemplated under the Sale and Purchase Agreements may or may not proceed.

Easyknit Shareholders and potential investors in Easyknit should exercise caution when dealing in or investing in the securities of Easyknit.

Eminence Shareholders and potential investors in Eminence should exercise caution when dealing in or investing in the securities of Eminence.

TRADING HALTS AND RESUMPTION OF TRADING

At the request of Easyknit, trading in Easyknit Shares on the Stock Exchange was halted at 9:00 a.m. on Thursday, 1 December 2022 pending the release of this joint announcement. Application has been made by Easyknit to the Stock Exchange for resumption of trading in Easyknit Shares on the Stock Exchange with effect from 9:00 a.m. on Thursday, 15 December 2022.

At the request of Eminence, trading in Eminence Shares on the Stock Exchange was halted at 9:00 a.m. on Thursday, 1 December 2022 pending the release of this joint announcement. Application has been made by Eminence to the Stock Exchange for resumption of trading in Eminence Shares on the Stock Exchange with effect from 9:00 a.m. on Thursday, 15 December 2022.

1. INTRODUCTION

On 30 November 2022 (after trading hours), Easyknit Properties, a wholly-owned subsidiary of Easyknit, entered into the Sale and Purchase Agreements with Eminence, pursuant to which amongst other things, (i) Easyknit Properties (as the seller) conditionally agreed to sell, and Eminence (as the buyer) conditionally agreed to acquire, the entire issued share capital of each of the Sale Companies (all being indirect wholly-owned subsidiaries of Easyknit); and (ii) Easyknit Properties agreed to procure the assignment of the Sale Loans to Eminence or its nominee, at an aggregate consideration of HK\$340,000,000 less a sum equal to the amount of Bank Loans outstanding at the Completion Date on a dollar-for-dollar basis.

2. THE SALE AND PURCHASE AGREEMENTS

All the Sale and Purchase Agreements are dated 30 November 2022 and made between Easyknit Properties (as the seller) and Eminence (as the buyer). Pursuant to the Sale and Purchase Agreements, amongst other things Eminence conditionally agreed to purchase, and Easyknit Properties conditionally agreed to sell all the Sale Shares and to procure the assignment of the Sale Loans to Eminence or its nominee. On Completion, each of the Sale Companies will become an indirect non wholly-owned subsidiary of Easyknit and an indirect wholly-owned subsidiary of Eminence.

Key terms of the Sale and Purchase Agreements are summarised below.

2.1 EASYKNIT SALE AGREEMENT A

Assets to be acquired and disposed of

Sale Shares A : The entire issued share capital of Company A.

Sale Loan A : The shareholder's loans owing by Company A to the Easyknit Group at Completion.

The sole material asset of Company A is Property A, which is Shop A on Ground Floor of One Victory, situated at Nos.1, 1A and 3 Victory Avenue, Kowloon. Property A is situated within a development completed in 2011. The saleable area of Property A is 1,538 sq. ft.

Property A is subject to a tenancy in favour of an Independent Third Party as at the date of this joint announcement for a term expiring on 31 March 2025, at a monthly rent of HK\$75,000 from 1 April 2022 to 31 March 2023 and HK\$78,000 from 1 April 2023 to 31 March 2025, exclusive of Government Rates, management fees and utility charges.

As at 30 September 2022, Sale Loan A amounted to HK\$22,716,913.

The net profit/(loss) (both before and after taxation and extraordinary items) attributable to Company A for the two years ended 31 March 2022 and for the six months ended 30 September 2022 prepared under HKFRS were as follows:

	For the year ended 31 March		For the six months ended
	2021	2022	30 September
	HK\$	HK\$	2022
	(audited)	(audited)	(unaudited)
Net assets	15,300,431	16,660,996	20,441,883
Net profit/(loss) (before taxation)	(2,243,211)	1,365,494	3,803,989
Net profit/(loss) (after taxation)	(2,243,211)	1,360,565	3,780,887

The original acquisition cost of Property A to the Easyknit Group was approximately HK\$24 million. Property A has been held by the Easyknit Group for more than twelve (12) months.

Valuation

The value of Property A under Company A in the books of Easyknit as at 30 September 2022, the date of its latest unaudited published accounts, was HK\$43,100,000.

According to the draft valuation prepared by Colliers International (Hong Kong) Limited, an Independent Third Party and a property valuer, as at 30 November 2022, the value of Property A was HK\$43,100,000. That valuation was determined on the basis of the “market approach”, an approach that provides an indication of value by comparing the subject asset with identical or similar assets for which price information is available.

Purchase Price A

The aggregate of the purchase price for the sale and purchase of Sale Shares A and the assignment of Sale Loan A under the Easyknit Sale Agreement A shall be HK\$44,000,000, apportioned as follows:

- (i) the price for the assignment of Sale Loan A shall be the face value of the total outstanding amount of Sale Loan A as at the Completion Date on a dollar-for-dollar basis (the “**Sale Loan A Consideration**”); and
- (ii) the price for the sale of Sale Shares A shall be Purchase Price A less Sale Loan A Consideration minus a sum equal to the amount of bank loan attributable to Property A outstanding as at the Completion Date on a dollar-for-dollar basis (the “**Sale Shares A Consideration**”).

Mortgage

Please refer to the details described in the sub-paragraph headed “2.3 EASYKNIT SALE AGREEMENT C — Mortgage” below.

Completion

Please refer to the details described in the sub-paragraph headed “2.3 EASYKNIT SALE AGREEMENT C — Completion” below.

Purchase Price A was determined after arm’s length negotiations between Easyknit and Eminence, taking into account their respective perceptions of the property market and valuation of Property A.

2.2 EASYKNIT SALE AGREEMENT B

Assets to be acquired and disposed of

Sale Shares B : The entire issued share capital of Company B.

Sale Loan B : The shareholder’s loans owing by Company B to the Easyknit Group at Completion.

The sole material asset of Company B is Property B, which is Shop B on Ground Floor of One Victory, situated at Nos.1, 1A and 3 Victory Avenue, Kowloon. Property B is situated within the development completed in 2011. The saleable area of Property B is 502 sq. ft.

Property B is subject to a tenancy in favour of an Independent Third Party as at the date of this joint announcement for a term expiring on 14 December 2023, at a monthly rent of HK\$50,000 exclusive of Government Rates, management fees and utility charges.

As at 30 September 2022, Sale Loan B amounted to HK\$19,702,259.

The net profit/(loss) (both before and after taxation and extraordinary items) attributable to Company B for the two years ended 31 March 2022 and for the six months ended 30 September 2022 prepared under HKFRS were as follows:

	For the year ended 31 March		For the six months ended
	2021 <i>HK\$</i> (audited)	2022 <i>HK\$</i> (audited)	30 September 2022 <i>HK\$</i> (unaudited)
Net assets	869,495	1,813,488	4,493,452
Net profit/(loss) (before taxation)	(1,398,088)	943,993	2,679,965
Net profit/(loss) (after taxation)	(1,398,088)	943,993	2,679,965

The original acquisition cost of Property B to the Easyknit Group was approximately HK\$20 million. Property B has been held by the Easyknit Group for more than twelve (12) months.

Valuation

The value of Property B under Company B in the books of Easyknit as at 30 September 2022, the date of its latest unaudited published accounts, was HK\$24,200,000.

According to the draft valuation prepared by Colliers International (Hong Kong) Limited, an Independent Third Party and a property valuer, as at 30 November 2022, the value of Property B was HK\$24,200,000. That valuation was determined on the basis of the “market approach”, an approach that provides an indication of value by comparing the subject asset with identical or similar assets for which price information is available.

Purchase Price B

The aggregate of the purchase price for the sale and purchase of Sale Shares B and the assignment of Sale Loan B under the Easyknit Sale Agreement B shall be HK\$24,800,000, apportioned as follows:

- (i) the price for the assignment of Sale Loan B shall be the face value of the total outstanding amount of Sale Loan B as at the Completion Date on a dollar-for-dollar basis (the “**Sale Loan B Consideration**”); and

- (ii) the price for the sale of Sale Shares B shall be Purchase Price B less Sale Loan B Consideration minus a sum equal to the amount of bank loan attributable to Property B outstanding as at the Completion Date on a dollar-for-dollar basis (the “**Sale Shares B Consideration**”).

Purchase Price B was determined after arm’s length negotiations between Easyknit and Eminence, taking into account their respective perceptions of the property market and valuation of Property B.

Mortgage

Please refer to the details described in the sub-paragraph headed “2.3 EASYKNIT SALE AGREEMENT C — Mortgage” below.

Completion

Please refer to the details described in the sub-paragraph headed “2.3 EASYKNIT SALE AGREEMENT C — Completion” below.

2.3 EASYKNIT SALE AGREEMENT C

Assets to be acquired and disposed of

Sale Shares C : The entire issued share capital of Company C.

Sale Loan C : The shareholder’s loans owing by Company C to the Easyknit Group at Completion.

The sole material asset of Company C is Property C, which is Shop C on First Floor of One Victory, situated at Nos.1, 1A and 3 Victory Avenue, Kowloon. Property C is situated within the development completed in 2011. The saleable area of Property C is 1,913 sq. ft.

Property C is subject to a tenancy in favour of an Independent Third Party as at the date of this joint announcement for a term expiring on 9 December 2023, at a monthly rent of HK\$63,000 exclusive of Government Rates, management fees and utility charges.

As at 30 September 2022, Sale Loan C amounted to HK\$17,911,313.

The net profit/(loss) (both before and after taxation and extraordinary items) attributable to Company C for the two years ended 31 March 2022 and for the six months ended 30 September 2022 prepared under HKFRS were as follows:

	For the year ended 31 March		For the six months ended
	2021 <i>HK\$</i> (audited)	2022 <i>HK\$</i> (audited)	30 September 2022 <i>HK\$</i> (unaudited)
Net assets	4,144,137	4,892,886	5,705,866
Net profit/(loss) (before taxation)	(1,359,687)	748,749	812,981
Net profit/(loss) (after taxation)	(1,356,694)	748,749	812,981

The original acquisition cost of Property C to the Easyknit Group was approximately HK\$19.7 million. Property C has been held by the Easyknit Group for more than twelve (12) months.

Valuation

The value of Property C under Company C in the books of Easyknit as at 30 September 2022, the date of its latest unaudited published accounts, was HK\$23,600,000.

According to the draft valuation prepared by Colliers International (Hong Kong) Limited, an Independent Third Party and a property valuer, as at 30 November 2022, the value of Property C was HK\$23,600,000. That valuation was determined on the basis of the “market approach”, an approach that provides an indication of value by comparing the subject asset with identical or similar assets for which price information is available.

Purchase Price C

The aggregate of the purchase price for the sale and purchase of Sale Shares C and the assignment of Sale Loans C under the Easyknit Sale Agreement C shall be HK\$24,200,000, apportioned as follows:

- (i) the price for the assignment of Sale Loan C shall be the face value of the total outstanding amount of Sale Loan C as at the Completion Date on a dollar-for-dollar basis (the “**Sale Loans C Consideration**”); and

- (ii) the price for the sale of Sale Shares C shall be Purchase Price C less Sale Loan C Consideration minus a sum equal to the amount of bank loan attributable to Property C outstanding as at the Completion Date on a dollar-for-dollar basis (the “**Sale Shares C Consideration**”).

Purchase Price C was determined after arm’s length negotiations between Easyknit and Eminence, taking into account their respective perceptions of the property market and valuation of Property C.

Mortgage

Property A, Property B and Property C are subject to a single mortgage in favour of Hang Seng Bank Limited, an Independent Third Party, to secure Bank Loan 1. As at 30 September 2022, the outstanding loan principal amount plus accrued interest owed by Easyknit to Hang Seng Bank Limited in relation to Property A, Property B and Property C was HK\$48,283,778. Arrangements will be made for this to be repaid after Completion out of new financing to be obtained by Eminence.

Completion

On Completion, Company A, Company B and Company C will become indirect non wholly-owned subsidiaries of Easyknit, and indirect wholly-owned subsidiaries of Eminence.

As Property A, Property B and Property C are subject to a single mortgage loan, any gain or loss arising from completion of Easyknit Sale Agreement A, Easyknit Sale Agreement B and Easyknit Sale Agreement C (which is expected to accrue to Easyknit on Completion) will be calculated and viewed together as a single sum. The gain or loss will represent (i) the difference between the purchase price and the net asset value of the respective target companies as at 30 September 2022 and (ii) the respective shareholder’s loans. For illustration, based on the information available up to 30 September 2022, Easyknit expected to record a gain of approximately HK\$2.1 million (subject to change after review by Easyknit’s auditor). Set out below is a calculation of the gain.

	Company A, B and C <i>HK\$’million</i>
Consideration	
Property A	44.0
Property B	24.8
Property C	24.2
	<hr/>
	93.0
	<hr/>

Company A, B and C
HK\$'million

Less: Net assets		
Company A	20.4	
Company B	4.5	
Company C	5.7	
		30.6
 Less: Sale Loans		
Sale Loan A	22.7	
Sale Loan B	19.7	
Sale Loan C	17.9	
		60.3
 Less: Bank Loan 1 (note)		—
 Gain on disposal		2.1

Note: There are no bank loans in individual Company A, B and C. The Properties A, B and C were pledged to Hang Seng Bank Limited for a bank loan extended to their ultimate holding company, Easyknit. The outstanding principal plus accrued interest as of 30 September 2022 was HK\$48,283,778.

2.4 EASYKNIT SALE AGREEMENT D

Assets to be acquired and disposed of

Sale Shares D : The entire issued share capital of Company D.

Sale Loan D : The shareholder's loans owing by Company D to the Easyknit Group at Completion.

The sole material asset of Company D is Property D, which is a shop on Ground Floor of No. 50 Yun Ping Road, Hong Kong. Property D is situated within the development completed in 1954. The gross floor area of Property D is approximately 1,200 sq. ft.

Property D is subject to a tenancy in favour of an Independent Third Party as at the date of this joint announcement for a term expiring on 13 September 2023, at a monthly rent of HK\$200,000 inclusive of Government Rent, but exclusive of Rates, management fees and utility charges.

As at 30 September 2022, Sale Loan D amounted to HK\$290,647,517.

The net (loss) (both before and after taxation and extraordinary items) attributable to Company D for the two years ended 31 March 2022 and for the six months ended 30 September 2022 prepared under HKFRS were as follows:

	For the year ended 31 March		For the six months ended
	2021	2022	30 September
	HK\$	HK\$	2022
	(audited)	(audited)	(unaudited)
			HK\$
Net liabilities	(117,499,761)	(126,665,388)	(127,378,351)
Net (loss) (before taxation)	(41,276,963)	(9,165,627)	(712,963)
Net (loss) (after taxation)	(41,278,115)	(9,165,627)	(712,963)

The original acquisition cost of Property D to the Easyknit Group was approximately HK\$380.1 million. Property D has been held by the Easyknit Group for more than twelve (12) months.

Valuation

The value of Property D under Company D in the books of Easyknit as at 30 September 2022, the date of its latest unaudited published accounts, was HK\$241,700,000.

According to the draft valuation prepared by Colliers International (Hong Kong) Limited, an Independent Third Party and a property valuer, as at 30 November 2022, the value of Property D was HK\$241,700,000. That valuation was determined on the basis of the “market approach”, an approach that provides an indication of value by comparing the subject asset with identical or similar assets for which price information is available.

Purchase Price D

The aggregate of the purchase price for the sale and purchase of Sale Shares D and the assignment of Sale Loan D under the Easyknit Sale Agreement D shall be HK\$247,000,000, apportioned as follows:

- (i) the price for the assignment of Sale Loan D shall be the face value of the total outstanding amount of Sale Loan D as at the Completion Date on a dollar-for-dollar basis (the “**Sale Loan D Consideration**”); and
- (ii) the price for the sale of Sale Shares D shall be the Purchase Price D less the Sale Loan D Consideration minus a sum equal to the amount of Bank Loan 2 outstanding as at the Completion Date on a dollar-for-dollar basis (the “**Sale Shares D Consideration**”).

Purchase Price D was determined after arm’s length negotiations between Easyknit and Eminence, taking into account their respective perceptions of the property market and valuation of Property D.

Mortgage

Property D is subject to a mortgage in favour of Hang Seng Bank Limited, an Independent Third Party, to secure Bank Loan 2. As at 30 September 2022, the outstanding loan principal amount plus accrued interest owed by Company D to Hang Seng Bank Limited was HK\$77,850,706.

According to Eminence, the Eminence Group will arrange a new mortgage on Property D, with Hang Seng Bank Limited, an Independent Third Party, to repay Bank Loan 2 immediately following Completion.

Completion

On Completion, Company D will become an indirect non wholly-owned subsidiary of Easyknit, and an indirect wholly-owned subsidiary of Eminence.

Any gain or loss arising from completion of Easyknit Sale Agreement D is expected to accrue to Easyknit on Completion. The gain or loss will represent the excess or deficit of Purchase Price D over or below the net asset value of Company D as at 30 September 2022, adjusted to take into account the indebtedness to Hang Seng Bank Limited under Bank Loan 2 and Sale Loan D. For illustration, based on the information available up to 30 September 2022, Easyknit is expected to record a loss of approximately HK\$121.4 million (subject to change after review by Easyknit's auditor). Set out below is a calculation of the loss.

	Company D HK\$'million
Consideration	
Property D	247.0
Less: Net assets	
Company D (<i>note</i>)	—
Less: Sale Loan D	290.6
Less: Bank Loan 2	77.8
Loss on disposal	<u><u>(121.4)</u></u>

Note: As of 30 September 2022, the net assets of Company D was net liabilities of HK\$127,378,351. The consideration for the Sale Share of Company D is therefore zero.

2.5 OTHER SALIENT TERMS OF THE SALE AND PURCHASE AGREEMENTS

Conditions Precedent

Completion of the Sale and Purchase Agreements is conditional upon the fulfilment of the following conditions:

1. Eminence having completed its due diligence review on the business, financial, legal and other aspect of the Sale Companies and the Properties and being reasonably satisfied with the results thereof and Easyknit Properties having delivered to Eminence a report in form and substance reasonably satisfactory to Eminence to the effect that the relevant Sale Company is in a position to prove and give title to the relevant Property in accordance with sections 13 and 13A of the Conveyancing and Property Ordinance (Cap. 219 of the Laws of Hong Kong) subject to certain agreed encumbrances;

2. Eminence having obtained the requisite approval from the Eminence Independent Shareholders in a general meeting in relation to (i) the purchase of the Sale Shares and assignment of the Sale Loans and (ii) the issue of the 2023 Convertible Note and issue and allotment of the Conversion Shares on conversion of the 2023 Convertible Note (if required) in the manner required under the Listing Rules;
3. Easyknit having obtained the requisite approval from the Easyknit Shareholders in a general meeting in relation to the sale of the Sale Shares and assignment of the Sale Loans in the manner required under the Listing Rules;
4. the Stock Exchange having granted to Eminence a listing of, and permission to deal in, the Conversion Shares issuable on the exercise of the Conversion Rights attached to the 2023 Convertible Note;
5. the consents and approvals (if any) required under security arrangements affecting the Sale Companies in respect of the transactions contemplated under the Sale and Purchase Agreements having been obtained in form and substance reasonably satisfactory to Eminence; and
6. a contractual commitment from bank(s) to lend funds sufficient to repay Bank Loan 1 and Bank Loan 2 release the mortgages in favour of Hang Seng Bank Limited securing Bank Loan 1 and Bank Loan 2 respectively, in form and substance reasonably satisfactory to Eminence.

Conditions 2, 3, 4 and 5 above cannot be waived. In the event condition 1 above is not fulfilled (or waived by Eminence) on or before the Long Stop Date, Eminence may elect to terminate all but not some only of the Sale and Purchase Agreements in which case, all rights, obligations and liabilities of the parties under the Sale and Purchase Agreements shall terminate and neither of the parties shall have any claim against the other in respect of the Sale and Purchase Agreements but without prejudice to the accrued rights and obligations of the parties before that termination.

If any of the Conditions Precedent has not been fulfilled or, where applicable, waived on or before the Long Stop Date, the Sale and Purchase Agreements will lapse and the parties thereto will be released from all obligations therein, save for liabilities for any antecedent breaches of the Sale and Purchase Agreements.

Net Purchase Price and settlement arrangement

As at the date of this joint announcement, the aggregate principal amount of outstanding Bank Loans amounts to approximately HK\$126,000,000.

The Net Purchase Price of HK\$214,000,000 (being the aggregate consideration of HK\$340,000,000 less the total principal amount of outstanding Bank Loans) shall be paid by Eminence to Easyknit Properties in the following manner:

- (i) sums of HK\$500,000 in aggregate (the “**Deposit**”), being approximately 0.23% of the Net Purchase Price, were paid in cash by Eminence to Easyknit Properties upon the signing of the Sale and Purchase Agreements;
- (ii) sums of HK\$4,500,000 in aggregate (the “**Cash Consideration**”), being approximately 2.1% of the Net Purchase Price shall be paid in cash by Eminence to Easyknit Properties or its nominee and the Deposit shall be retained by Easyknit Properties as part of the Net Purchase Price, on the Completion Date; and
- (iii) the balance of the Net Purchase Price of HK\$209,000,000 (the “**Balance**”) will be satisfied by the issue of the 2023 Convertible Note by Eminence to Easyknit Properties or its nominee on the Completion Date.

The Net Purchase Price of HK\$214,000,000 (being the aggregate consideration of HK\$340,000,000 less the total principal amount of outstanding Bank Loans amounting to approximately HK\$126,000,000) will be financed by issue of the 2023 Convertible Note in a principal amount of HK\$209,000,000 and a cash consideration of HK\$5,000,000.

Miscellaneous

Under the Sale and Purchase Agreements, Easyknit Properties has agreed to give certain indemnities, including in respect of tax arising from the activities of each of the Sale Companies prior to the completion of the Sale and Purchase Agreements which is not disclosed in the accounts of each of the Sale Companies.

3. 2023 CONVERTIBLE NOTE

The principal terms of the 2023 Convertible Note are summarised below:

- Issuer** : Eminence
- Principal amount** : HK\$209,000,000
- Maturity date** : The fifth (5th) anniversary of the issue date, when the entire then-outstanding principal amount, together with all outstanding accrued interest, of the 2023 Convertible Note will become due and payable by Eminence to the holder of the 2023 Convertible Note.
- Redemption price at maturity** : 100% of the principal amount of the 2023 Convertible Note outstanding on the maturity date, together with all unpaid interest accrued on it.
- Redemption** : Any amount of the 2023 Convertible Note which remains outstanding on the maturity date shall be redeemed in full.
- Any amount of the 2023 Convertible Note which is redeemed will be cancelled forthwith.
- Interest** : The 2023 Convertible Note will bear interest on the outstanding principal amount thereof from the Issue Date at a rate of 5% per annum. Interest will be payable semi-yearly in arrears.

The interest rate was determined by the parties after arm's length negotiations and with reference to (i) the prevailing market conditions; and (ii) the indicative costs of unsecured mid-term/long-term debt finance preliminarily quoted to Eminence by its banks upon enquiry.

Conversion Rights : The holder of the 2023 Convertible Note will have the right to convert the whole or part of the outstanding principal amount of the 2023 Convertible Note (in amounts of not less than an integral multiple of HK\$1,000,000 on each conversion, unless the outstanding principal amount of the 2023 Convertible Note is less than HK\$1,000,000 in which case the whole (but not part only) of that amount shall be converted) into the Conversion Shares at any time during the conversion period (as detailed below) at the conversion price of HK\$0.106 per Conversion Share (subject to adjustments).

Eminence will not be obliged to issue any Conversion Shares if immediately following the conversion, Eminence will be unable to meet the minimum public float requirement under the Listing Rules.

Conversion period : The period from the date falling on the issue date up to and including the date falling on the fifth (5th) last Business Day prior to the maturity date.

Conversion price : Upon issue of the 2023 Convertible Note, the initial conversion price will be HK\$0.106 per Conversion Share (subject to adjustments) on the occurrence of the following:

- (i) If and whenever there shall be an alteration to the nominal value of the Eminence Shares as a result of consolidation or subdivision, the conversion price shall be adjusted by multiplying the conversion price in force immediately prior to such alteration by the fraction:

$$\frac{A}{B}$$

where:

A is the nominal amount of one Eminence Share immediately after alteration; and

B is the nominal amount of one Eminence Share immediately before alteration.

Such adjustment shall become effective on the date the alteration takes effect.

- (ii) (1) If and whenever Eminence shall issue any Eminence Shares credited as fully paid to the Eminence Shareholders by way of capitalization of profits or reserves, other than Eminence Shares issued in lieu of the whole or any part of a cash dividend (the “**Relevant Cash Dividend**”), being a dividend which the Eminence Shareholders concerned would or could otherwise have received in cash (“**Scrip Dividend**”), the conversion price shall be adjusted in the case of an issue of Eminence Shares other than by way of Scrip Dividend by multiplying the conversion price in force immediately before such issue by the fraction:

$$\frac{A}{B}$$

where:

A is the aggregate nominal amount of the issued Eminence Shares immediately before such issue; and

B is the aggregate nominal amount of the issued Eminence Shares immediately after such issue; and

- (2) in the case of an issue of Eminence Shares by way of a Scrip Dividend the current market price of which Eminence Shares exceeds 105 per cent. of the amount of the Relevant Cash Dividend or the relevant part thereof and which would not have constituted a Capital Distribution, by multiplying the conversion price in force immediately before the issue of such Eminence Shares by the fraction:

$$\frac{A + B}{A + C}$$

where:

A is the aggregate nominal amount of the issued Eminence Shares immediately before such issue;

B is the aggregate nominal amount of Eminence Shares issued by way of such Scrip Dividend multiplied by a fraction of which (i) the numerator is the amount per Eminence Share of the whole, or the relevant part, of the Relevant Cash Dividend and (ii) the denominator is the current market price of the number of Eminence Shares issued in respect of each existing Eminence Share in lieu of the whole, or the relevant part of the Relevant Cash Dividend; and

C is the aggregate nominal amount of Eminence Shares issued by way of such Script Dividend;

or by making such other adjustment as an approved merchant bank shall certify to Eminence is fair and reasonable.

Such adjustment shall become effective on the date of issue of such Eminence Shares.

- (iii) If and whenever Eminence shall pay or make any Capital Distribution to the Eminence Shareholders (except where the conversion price falls to be adjusted under sub-paragraph (ii) above (or falls within sub-paragraph (ii) above but no adjustment falls to be made), the conversion price shall be adjusted by multiplying the conversion price in force immediately prior to such Capital Distribution by the fraction:

$$\frac{A - B}{A}$$

where:

A is the current market price of one Eminence Share on the trading day last preceding the date on which the Capital Distribution is publicly announced; and

B is the fair market value on the date of such announcement, as determined by an approved merchant bank, of the portion of the Capital Distribution attributable to one Eminence Share.

Such adjustment shall become effective on the date that such Capital Distribution is actually made.

- (iv) If and whenever Eminence shall issue Eminence Shares to all or substantially all Eminence Shareholders as a class by way of rights, or shall issue or grant to all or substantially all Eminence Shareholders as a class, by way of rights, any options, warrants or other rights to subscribe for or purchase any Eminence Shares, in each case at less than 95 per cent. of the current market price per Eminence Share on the trading day last preceding the date of the announcement of the terms of the issue or grant, the conversion price shall be adjusted by multiplying the conversion price in force immediately prior to such issue or grant by the fraction:

$$\frac{A + B}{A + C}$$

where:

A is the number of Eminence Shares in issue immediately before such announcement;

B is the number of Eminence Shares which the aggregate amount (if any) payable for the rights or for the options or warrants or other rights issued by way of rights and for the total number of Eminence Shares comprised therein would purchase at such current market price per Eminence Share; and

C is the aggregate number of Eminence Shares issued or, as the case may be, comprised in the grant.

Such adjustment shall become effective on the date of issue of such Eminence Shares or issue or grant of such options, warrants or other rights (as the case may be).

- (v) If and whenever Eminence shall issue any securities (other than Eminence Shares or options, warrants or other rights to subscribe for or purchase Eminence Shares) to all or substantially all Eminence Shareholders as a class by way of rights or grant to all or substantially all Eminence Shareholders as a class by way of rights of any options, warrants or other rights to subscribe for or purchase any securities (other than Eminence Shares or options, warrants or other rights to subscribe for or purchase Eminence Shares), the conversion price shall be adjusted by multiplying the conversion price in force immediately prior to such issue or grant by the fraction:

$$\frac{A - B}{A}$$

where:

A is the current market price of one Eminence Share on the trading day last preceding the date on which such issue or grant is publicly announced; and

B is the fair market value on the date of such announcement as determined in good faith by an approved merchant bank, of the portion of the rights attributable to one Eminence Share.

Such adjustment shall become effective on the date of issue of the securities or grant of such rights, options or warrants (as the case may be).

- (vi) If and whenever Eminence shall issue (otherwise than as mentioned in sub-paragraph (iv) above) wholly for cash any Eminence Shares (other than Eminence Shares issued on the exercise of Conversion Rights or on the exercise of any other rights of conversion into, or exchange or subscription for, Eminence Shares) or on the issue or grant of (otherwise than as mentioned in sub-paragraph (iv) above) options, warrants or other rights to subscribe for or purchase Eminence Shares in each case at a price per Eminence Share which is less than 95 per cent. of the current market price on the trading day last preceding the date of announcement of the terms of such issue, the conversion price shall be adjusted by multiplying the conversion price in force immediately prior to such issue or grant by the fraction:

$$\frac{A + B}{C}$$

where:

A is the number of Eminence Shares in issue immediately before the issue of such additional Eminence Shares or the issue or grant of such options, warrants or other rights to subscribe for or purchase any Eminence Shares;

B is the number of Eminence Shares which the aggregate consideration receivable for the issue of such additional Eminence Shares would purchase at such current market price per Eminence Share; and

C is the number of Eminence Shares in issue immediately after the issue of such additional Eminence Shares.

References to additional Eminence Shares in the above formula shall, in the case of an issue or grant by Eminence of options, warrants or other rights to subscribe or purchase Eminence Shares, mean such Eminence Shares to be issued assuming that such options, warrants or other rights are exercised in full at the initial exercise price on the date of issue of such options, warrants or other rights.

Such adjustment shall become effective on the date of issue of such Eminence Shares or, as the case maybe, the issue or grant of such options, warrants or other rights.

(vii) Save in the case of an issue of securities arising from a conversion or exchange of other securities in accordance with the terms applicable to such securities themselves falling within the provisions of this sub-paragraph (vii), if and whenever Eminence or any Eminence Subsidiary (otherwise than as mentioned in sub-paragraphs (iv), (v) or (vi) above), or (at the direction or request of or pursuant to any arrangements with Eminence or any Eminence Subsidiary) any other person shall issue wholly for cash any securities (other than the 2023 Convertible Note) which by their terms of issue carry rights of conversion into, or exchange or subscription for, Eminence Shares (or grant any such rights in respect of any existing securities so issued) to be issued by Eminence upon conversion, exchange or subscription at a consideration per Eminence Share which is less than 95 per cent. of the current market price per Eminence Share on the trading day last preceding the date of announcement of the terms of issue of such securities, the conversion price shall be adjusted, by multiplying the conversion price in force immediately prior to such issue (or grant) by the fraction:

$$\frac{A + B}{A + C}$$

where:

A is the number of Eminence Shares in issue immediately before such issue (or grant);

B is the number of Eminence Shares which the aggregate consideration receivable by Eminence for the Eminence Shares to be issued upon conversion or subscription for or exchange of or upon exercise of the right of subscription attached to such securities would purchase at such current market price per Eminence Share; and

C is the maximum number of Eminence Shares to be issued upon conversion into or subscription for exchange of such securities or upon the exercise of such rights of subscription attached thereto at the initial conversion, exchange or subscription price or rate.

Such adjustment shall become effective on the date of issue (or grant) of such securities.

- (viii) If and whenever there shall be any modification of the rights of conversion, exchange or subscription attaching to any such securities as are mentioned in sub-paragraph (vii) above (other than in accordance with the terms applicable to such securities) so that the consideration per Eminence Share (for the number of Eminence Shares available on conversion, exchange or subscription following the modification) is less than 95 per cent. of the current market price per Eminence Share on the trading day last preceding the date of announcement of the proposals for such modification, the conversion price shall be adjusted by multiplying the conversion price in force immediately prior to such modification by the fraction:

$$\frac{A + B}{A + C}$$

where:

A is the number of Eminence Shares in issue immediately before such modification;

B is the number of Eminence Shares which the aggregate consideration receivable by Eminence for the Eminence Shares to be issued upon conversion or exchange or upon exercise of the right of subscription attached to the securities so modified would purchase at such current market price per Eminence Share or, if lower, the existing conversion, exchange or subscription price; and

C is the maximum number of Eminence Shares to be issued upon conversion or exchange of such securities or upon the exercise of such rights of subscription attached thereto at the modified conversion, exchange or subscription price or rate.

Such adjustment shall become effective on the date of modification of the rights of conversion, exchange or subscription attaching to such securities.

- (ix) If and whenever Eminence or any Eminence Subsidiary or (at the direction or request of or pursuant to any arrangements with Eminence or any Eminence Subsidiary) any other person issues, sells or distributes any securities in connection with an offer by or on behalf of Eminence or any Eminence Subsidiary or such other person pursuant to which offer the Eminence Shareholders generally (meaning for these purposes the holders of at least 60 per cent. of the Eminence Shares outstanding at the time such offer is made) are entitled to participate in arrangements whereby such securities may be acquired by them (except where the conversion price falls to be adjusted under sub-paragraphs (iv) to (vii) above), the conversion price shall be adjusted by, multiplying the conversion price in force immediately prior to such issue by the fraction:-

$$\frac{A - B}{A}$$

where:

A is the current market price of one Eminence Share on the trading day last preceding the date on which such issue is publicly announced; and

B is the fair market value on the date of such announcement, as determined in good faith by an approved merchant bank, of the portion of the relevant offer attributable to one Eminence Share.

Such adjustment shall become effective on the date of issue of the securities.

- (x) If Eminence considers that it would be appropriate for an adjustment to be made to the conversion price as a result of one or more events or circumstances not referred to above, Eminence shall request an approved merchant bank to determine what adjustment (if any) to the conversion price is fair and reasonable to take account thereof. Any adjustment under this provision is limited to downward adjustment. The Eminence Board considers that this is fair and reasonable and consistent with market norms and that holder of the 2023 Convertible Note generally would not agree to any upward adjustment, except on a consolidation, given that the matters that may give rise to adjustment are in the control of Eminence.

If any adjustment event other than a sub-division occurs which leads the number of Conversion Shares issuable under the 2023 Convertible Note to exceed 1,971,698,113, then the holder of the 2023 Convertible Note shall be entitled to convert the 2023 Convertible Note into up to 1,971,698,113 Conversion Shares based on the adjusted conversion price and any outstanding remaining principal amount of the 2023 Convertible Note shall be redeemed by Eminence on the maturity date in accordance with its terms.

**Ranking of the
Conversion Shares**

- : The Conversion Shares, if and when allotted and issued, shall rank *pari passu* in all respects with all other Eminence Shares in issue as at the date of the relevant conversion notice and shall be entitled to all dividends and other distributions the record date of which falls on or after the date of the relevant conversion notice.

- Transferability** : No assignment or transfer (whether in whole or in part) of the 2023 Convertible Note except with consent of Eminence or to (i) the holding company or (ii) the subsidiaries or affiliated companies of the holder of the 2023 Convertible Note or the fellow subsidiaries or fellow affiliated companies of the holder of the 2023 Convertible Note.
- Voting** : The holder of the 2023 Convertible Note will not be entitled to attend or vote at any meetings of Eminence by reason only of being the holder of the 2023 Convertible Note.
- Others** : The Conversion Rights attaching to the 2023 Convertible Note shall not be exercisable if and to the extent that immediately after such exercise and the issue of the related Conversion Shares less than 25% of the issued Eminence Shares would be held by the public as required by Rule 8.08 of the Listing Rules.

The initial conversion price of HK\$0.106 per Conversion Share (subject to adjustments) represents:

- (i) a premium of approximately 43.24% over the closing price of HK\$0.074 per Eminence Share as quoted on the Stock Exchange on 30 November 2022, being the date of Sale and Purchase Agreements;
- (ii) a premium of approximately 45.21% over the average closing price of approximately HK\$0.073 per Eminence Share as quoted on the Stock Exchange for the last five (5) consecutive trading days up to and including the date of Sale and Purchase Agreements;
- (iii) a premium of approximately 47.02% over the average closing price of approximately HK\$0.0721 per Eminence Share as quoted on the Stock Exchange for the last ten (10) consecutive trading days up to and including the date of Sale and Purchase Agreements;
- (iv) a premium of approximately 46.41% over the average closing price of approximately HK\$0.0724 per Eminence Share as quoted on the Stock Exchange for the last thirty (30) consecutive trading days up to and including the date of Sale and Purchase Agreements; and
- (v) a discount of approximately 92.89% over the unaudited net asset value per Eminence Share of approximately HK\$1.49 as at 30 September 2022 based on the 2,125,924,676 Eminence Shares in issue as at 30 September 2022.

In determining the conversion price, the Eminence Directors have reviewed the closing prices of the Eminence Shares during the period from 1 June 2022 and up to and including 30 November 2022, being the date of the Sale and Purchase Agreements (the “**Review Period**”). The Eminence Directors consider that the Review Period could reflect the most recent trend of the prevailing market price of the Eminence Shares and the closing prices of the Eminence Shares fluctuated within the range from HK\$0.069 per Eminence Share to HK\$0.105 per Eminence Share. The average closing price of the Eminence Shares was approximately HK\$0.082 during the Review Period. The Conversion Price of HK\$0.106 represents a premium of approximately 29.27% over the average closing price of the Eminence Shares during the Review Period.

Set out below is the comparable discount of the conversion price to net asset value per share of transactions in relation to issue of convertible note(s) by other companies listed on the Stock Exchange during the review period from September 2019 to November 2022.

Stock code	Name of listed company	Date of circular	Conversion price	Net asset value per share <i>(approximately)</i>	Discount of conversion price to net asset value per share <i>(approximately)</i>
1540	Left Field Printing Group Limited	23 November 2022	A\$0.14	A\$0.21	33.33%
821	Value Convergence Holdings Limited	1 September 2020	HK\$0.20	HK\$0.53	62.26%
619	South China Financial Holdings Limited	15 May 2020	HK\$0.22	HK\$2.77	92.06%
8067	Oriental University City Holdings (H.K.) Limited	20 September 2019	HK\$2.30	HK\$6.44	64.29%

The Eminence Directors have made reference to the above comparable transactions as announced by other companies listed on the Stock Exchange prior to the date of the Sale and Purchase Agreements (the “**Comparable Transactions**”) and noted that the respective discounts of the Comparable Transactions. Considering that the Eminence Shares had been traded at the discount of approximately 92.89% to the unaudited net asset value per Eminence Share of HK\$1.49 as at 30 September 2022 based on the 2,125,924,676 Eminence Shares in issue as at 30 September 2022, the Eminence Board is of the view that the prevailing market is a more relevant factor in determining the fairness and reasonableness of the conversion price. Discount of conversion price to net asset value per Eminence Share should be taken as a reference only and the current market price of the Eminence Shares directly reflects the value of the Eminence Shares that is generally perceived by the market. In the securities trading market, the trading price is derived from the supply and demand which reflects the fair value and acceptable trading prices in the market. Given that the Eminence Shares were traded at a deep discount to the net asset value per Eminence Share throughout the Review Period, and the market price of the Eminence Shares has already reflected the expectation of the investors in respect of Eminence (such as its financial results and corporate actions) and the recent market sentiment, the Eminence Directors are of the view that it is reasonable to make reference to the prevailing market price of the Eminence Shares, rather than the net asset value per Eminence Share in determining the conversion price and that the discount of the Conversion Price to the net asset value per Eminence Share which reflects the fair value of the Eminence Share is justifiable.

Having considered alternative financing methods, including a possible equity placing and bank borrowing it was concluded that the issue of the 2023 Convertible Note is a good alternative form of financing. Specifically, an equity placing would immediately dilute the interests of the Eminence Shareholders, whilst the 2023 Convertible Note will not do so unless and until it is converted, and it will provide a 5-year term of fixed-cost funding in contrast to shorter-term bank financing currently with an increasing high level of interest rate over 5%. The Eminence Directors are of the opinion that the issue of the 2023 Convertible Note should offer more flexibility in the amount raised and timing of application, as well as a lower cost of borrowing than obtaining further bank loans.

Assuming that the Conversion Rights in relation to the total principal amount of the 2023 Convertible Note being HK\$209,000,000 are exercised in full at the initial conversion price of HK\$0.106 per Conversion Share (subject to adjustments), a total of 1,971,698,113 Conversion Shares will be allotted and issued, representing approximately 92.7454% of the issued share capital of Eminence at the date of this joint announcement and approximately 48.1181% of the issued share capital of Eminence as enlarged by the allotment and issue of such Conversion Shares and assuming that save for the issue of Conversion Shares, there will be no change to the issued share capital of Eminence from the date of this joint announcement up to and including the date of issue of such Conversion Shares.

Application will be made by Eminence to the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares. No application will be made for the listing of the 2023 Convertible Note on the Stock Exchange or any other stock exchange and no application will be made for the listing of the Conversion Shares on any other stock exchange.

4. SHAREHOLDING STRUCTURE

A total of 1,971,698,113 Conversion Shares will be allotted and issued upon full conversion of the 2023 Convertible Note at the initial conversion price of HK\$0.106 per Conversion Share (subject to adjustments). The table below sets out the current shareholding structure of Eminence and the structure as it will be on the assumptions that there is no change in the number of Eminence Shares in issue and the Conversion Rights attached to the 2023 Convertible Note have been fully exercised.

Eminence Shareholders	As at the date of this joint announcement		Immediately upon the full exercise of the 2023 Convertible Note	
	<i>Number of Eminence Shares</i>	<i>Approximate %</i>	<i>Number of Eminence Shares</i>	<i>Approximate %</i>
Substantial Eminence Shareholders				
The Easyknit Group and associates:				
Easyknit	27,000,000	1.2700	27,000,000	0.6589
Ace Winner	484,538,175	22.7919	484,538,175	11.8249
Goodco*	562,231,961	26.4465	2,533,930,074	61.8390
Landmark Profits	23,387,370	1.1001	23,387,370	0.5708
Sub-total	1,097,157,506	51.6085	3,068,855,619	74.8936
Public Eminence Shareholders				
Hu Rong	47,030,000	2.2122	47,030,000	1.1477
Others	981,737,170	46.1793	981,737,170	23.9587
Sub-total	1,028,767,170	48.3915	1,028,767,170	25.1064
Total	2,125,924,676	100.0000	4,097,622,789	100.0000

* Expected to be the holder of the 2023 Convertible Note

5. INFORMATION ABOUT EASYKNIT AND EMINENCE

The Easyknit Group is principally engaged in the property development, property investment, investment in securities and others and loan financing businesses. The Easyknit Group currently holds various commercial, industrial and residential properties in Hong Kong and Singapore. The Easyknit Group owns several residential properties held for development for sale. The investment property of the Easyknit Group is real estate property that has been purchased with the intention of earning a return on the investment, either through rental income, the future resale of the property or both. Easyknit together with its subsidiaries own approximately 51.60% of the issued share capital of Eminence at the date of this joint announcement.

The Eminence Group is principally engaged in property development, property investment, investment in securities and others and loan financing businesses. The Eminence Group's real estate activities focus on the industrial and non-residential sector.

6. REASONS FOR AND BENEFITS OF THE ENTERING INTO OF THE SALE AND PURCHASE AGREEMENTS

Easyknit

The disposal of the Properties through the sale of the Sale Companies is part of Easyknit's defensive strategy to prudently preserve its cash flow not to carry on paying (out of its own cash resources) the sums necessary to finance the related net cash outflows. The disposal of the Properties (i) will result in a realised gain of approximately HK\$2 million for Easyknit and its shareholders; (ii) will result in a gross cash inflow at Completion of approximately HK\$5 million for Easyknit and its shareholders; (iii) will provide Easyknit with a regular income stream by way of interest on the 2023 Convertible Note; (iv) will reduce Easyknit's cash outlays for the Properties, which collectively exceed rental income whilst Easyknit's attributable interest through Eminence will allow it to continue to participate indirectly in the benefits of ownership of the Properties without having to finance associated cash outflows from its own resources; (v) will reduce significantly financial exposure of Easyknit and thus its shareholders to the Properties; and (vi) will sharpen the focus of Easyknit on the residential market. After the disposal, the cash outflows will be financed from resources of Eminence, without affecting the cash resources of Easyknit itself.

The terms of the Sale and Purchase Agreements have been determined after arm's length negotiations between the parties thereto and the Easyknit Directors are of the view that the Sale and Purchase Agreements are on normal commercial terms, which are fair and reasonable and in the interests of Easyknit and the Easyknit Shareholders as a whole.

Eminence

The acquisition of the Properties through acquisition of the Sale Companies is part of Eminence's core business of property investment and the Eminence Directors believe that acquisition of the Properties will enhance its portfolio of real estate assets at attractive prices in view of the current market conditions. They also believe that the retail property market will improve over the next few years.

The Eminence Directors (excluding the members of the Eminence Independent Board Committee who will form their view after receiving advice from the Eminence Independent Financial Adviser) are of the view that the Sale and Purchase Agreements are in the interests of the Eminence Group and are on normal commercial terms, fair and reasonable and in the interests of Eminence and the Eminence Shareholders as a whole.

Whilst Eminence is a non wholly-owned subsidiary of Easyknit, Eminence and Easyknit are separate legal and financial entities, separately listed with separate groups of shareholders. The Sale Companies will remain indirect subsidiaries of Easyknit through Eminence after the disposal, and will be included in the consolidated accounts of Easyknit, but they will then be non wholly-owned subsidiaries of Easyknit and the financial exposure of Easyknit and thus its shareholders to the Properties will be reduced significantly. Whilst Easyknit will retain an attributable interest in the Properties through Eminence they will become assets of Eminence managed only for the benefit of Eminence Shareholders as a whole.

The acquisition of the Properties (i) involves a small cash outflow compared to the value of the assets being acquired allowing Eminence to retain more cash for general working capital and future business development; (ii) is financed largely by the 2023 Convertible Note carrying interest that is lower than that available from banks, reducing funding costs; (iii) carries the prospect of its permanent capital base being strengthened considerably on conversion of the 2023 Convertible Note; (iv) is part of Eminence's core business of property investment with the intention of earning a return on the investment through rental income and future resale of the Properties or both; (v) will enhance cash inflow of Eminence through generating stable rental income from the Properties; (vi) will enhance its portfolio of real estate assets, this already includes: (a) in Hong Kong: residential, commercial and industrial units, and land with attached structure with a total carrying amount of approximately HK\$796,200,000 as at 31 March 2022; (b) in Singapore: 3 residential units with a total carrying amount of approximately HK\$183,680,000 as at 31 March 2022; and (c) in Huzhou City, Zhejiang Province, the PRC: 15 blocks of factory premises and 5 blocks of dormitories with a total carrying amount of approximately HK\$387,683,000 as at 31 March 2022; (vii) is at attractive prices with Eminence benefiting from current depressed market conditions; and (viii) carries the attractive prospect of material gains as the retail property market improves.

The Eminence Directors consider the acquisition of the Properties to be an opportunity to expand its portfolio of retail assets without significant immediate cash outflows through the issue of the 2023 Convertible Note, at a price that is attractive. Whilst the Hong Kong retail property market is undergoing difficult times, they believe that in the longer term the market will improve and Eminence will benefit accordingly. In particular, whilst the cash outflows of Property D at present exceed the cash inflows and will therefore reduce the cash resources of Eminence, the Eminence Directors consider that it is able to finance the outflows for the foreseeable future and believe that it will be able to enhance cash inflows and enjoy capital gains over the longer term.

Ms. Lui Yuk Chu (an executive Easyknit Director and a substantial Easyknit Shareholder and also an executive Eminence Director) abstained from voting on the Easyknit Board and Eminence Board resolutions and will abstain from voting at the Easyknit SGM to approve the Sale and Purchase Agreements and the transactions contemplated thereunder. No other Easyknit Directors and Eminence Directors abstained, or was required to abstain, from voting on the related Easyknit Board and Eminence Board resolutions or is required to abstain from voting at the Easyknit SGM and Eminence SGM.

7. FUND-RAISING ACTIVITIES OF EMINENCE IN THE PAST TWELVE (12) MONTHS

Date of announcement	Equity fund raising activity	Net proceeds raised	Proposed use of proceeds	Actual use of proceeds as at the date of this joint announcement
30 March 2022	Placing of new shares under general mandate	Approximately HK\$18,380,000	For the Eminence Group's general working capital	All proceeds were fully utilised as intended use
27 July 2022	Placing of new shares under specific mandate	Approximately HK\$40,800,000	For the Eminence Group's general working capital	Approximately HK\$32,400,000 has been used as intended.

Save as disclosed above, Eminence has not conducted any fund-raising activities in the twelve (12) months immediately before the date of this joint announcement.

8. PUBLIC FLOAT

The 2023 Convertible Note will impose restrictions on conversions to the extent that the conversion would lead to Eminence breaching the public float requirement under the Listing Rules.

At the date of this joint announcement, Easyknit and certain of its subsidiaries hold in aggregate approximately 51.60% of the issued voting shares in Eminence.

Upon full conversion of the 2023 Convertible Note at the initial conversion price of HK\$0.106 per Conversion Share (subject to adjustments), a total of 1,971,698,113 Conversion Shares would be issued, representing approximately 48.1181% of the issued share capital of Eminence as enlarged by that issue and assuming no other change in the number of issued Eminence Shares.

The table show in the section headed “4. SHAREHOLDING STRUCTURE” above illustrates the existing shareholdings of Easyknit and certain of its subsidiaries in Eminence and the effect on their shareholdings in Eminence assuming full exercise at the initial conversion price of HK\$0.106 of the Conversion Rights under the 2023 Convertible Note.

Easyknit and Eminence are mindful of the public float requirement under the Listing Rules and the requirements of the Takeovers Code, and will comply with the relevant Listing Rules and that Code, if and when necessary, particularly when considering whether the Conversion Rights under any or all of the 2023 Convertible Note should be exercised.

9. LISTING RULES IMPLICATIONS

Easyknit

Chapter 14

As one or more of the percentage ratios applicable to the sale of the Sale Companies exceeds 75%, that sale is a very substantial disposal for Easyknit and the Sale and Purchase Agreements are subject to the reporting, announcement and the Easyknit Shareholders’ approval requirements under Chapter 14 of the Listing Rules.

The Easyknit SGM will be convened for the Easyknit Shareholders to consider and, if thought fit, approve the Sale and Purchase Agreements and the transactions contemplated thereunder. Ms. Lui Yuk Chu (an executive Easyknit Director and a substantial Easyknit Shareholder and also an executive Eminence Director) shall abstain from voting at the Easyknit SGM. To the best knowledge, information and believe of the Easyknit Directors and having made reasonable enquiries, no other Easyknit Shareholder is involved in or interested in the Sale and Purchase Agreements and the transactions contemplated thereunder which requires him/her/it to abstain from voting on the proposed resolution(s) to approve the Sale and Purchase Agreements and the transactions contemplated thereunder at the Easyknit SGM. To the best knowledge, information and belief of the Easyknit Directors and having made reasonable enquiries, Eminence and/or its associates do not hold any Easyknit Shares as at the date of this joint announcement.

Chapter 14A

None of the transactions contemplated under the Sale and Purchase Agreements is a connected transaction for Easyknit.

Eminence

Chapter 14

As one or more of the percentage ratios applicable to the purchase of the Sale Companies exceeds 100%, the Acquisition is a very substantial acquisition for Eminence and the Sale and Purchase Agreements are subject to the reporting, announcement and the Eminence Shareholders' approval requirements under Chapter 14 of the Listing Rules.

Chapter 14A

Easyknit Properties is a wholly-owned subsidiary of Easyknit and thus a member of the Easyknit Group. Easyknit together with its subsidiaries own approximately 51.60% of the issued share capital of Eminence at the date of this joint announcement. As members of the Easyknit Group are substantial shareholders of Eminence and connected persons of Eminence, each of the Sale and Purchase Agreements constitutes a connected transaction for Eminence.

As one or more of the applicable percentage ratios applicable to the purchase of the Sale Companies exceeds 25% and the total consideration exceeds HK\$10,000,000, the Sale and Purchase Agreements are subject to the reporting, announcement, and the Eminence Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Eminence SGM will be convened for the Eminence Shareholders to consider and, if thought fit, approve the Sale and Purchase Agreements. Only the Eminence Independent Shareholders will be entitled to vote on the resolution(s) (i) to approve the Sale and Purchase Agreements and the transactions contemplated thereunder; and (ii) to approve the issue of the Conversion Shares on exercise of the Conversion Rights attached to the 2023 Convertible Note, at the Eminence SGM.

The Easyknit Group and its associates (which together controlled or were entitled to exercise control over voting rights of 51.60% of the Eminence Shares at the date of this joint announcement will abstain from voting, at the Eminence SGM on the resolution(s) approving (i) the Sale and Purchase Agreements and the transactions contemplated thereunder; and (ii) the issue of the Conversion Shares on exercise of the Conversion Rights attached to the 2023 Convertible Note.

Waiver from strict compliance with Rule 14.06B

Following the close of a general offer on 21 April 2021, Easyknit's shareholding in Eminence increased from approximately 29.60% to approximately 71.86% and it thus regained control (as defined in the Takeovers Code) of Eminence, The Acquisition falls within a "bright line" test under Rule 14.06B of the Listing Rules as it involves a very substantial acquisition from Easyknit within 36 months from the change in control it is potentially a reverse takeover.

Eminence considers that this is purely a technicality. Applying the factors listed in Note 1 to Listing Rule 14.06B it is apparent there is no attempt to circumvent the requirements for new applicants: (a) Easyknit has at all times since 2013 been the single largest substantial shareholder who is able to exercise effective control over Eminence. The Acquisition will not result in a change in control (as defined in the Takeover Code) and there has been no change in de facto control of Eminence; (b) the Acquisition is not "completely different" from Eminence's existing business. It is an acquisition of assets that is in keeping with, and there is no fundamental change in, Eminence's principal business; and (c) the Acquisition is small relative to the size of Eminence: the asset ratio in Chapter 14 of the Listing Rules is only 6.6%.

The proposed acquisition of the Sale Companies will provide Eminence considerable benefits, details of which are set out in the section headed "6. REASONS FOR AND BENEFITS OF ENTERING INTO OF THE SALE AND PURCHASE AGREEMENTS" in this joint announcement.

Based on the above, Eminence has applied to the Stock Exchange for a waiver from strict compliance with Rule 14.06B of the Listing Rules and the Stock Exchange has granted the waiver.

10. EMINENCE INDEPENDENT BOARD COMMITTEE AND EMINENCE INDEPENDENT FINANCIAL ADVISER

Eminence has established the Eminence Independent Board Committee comprising three (3) independent non-executive Eminence Directors, being Mr. Kan Ka Hon, Mr. Lau Sin Ming and Mr. Wu Koon Yin Welly, to advise the Eminence Independent Shareholders on (i) the Sale and Purchase Agreements and the transactions contemplated thereunder; and (ii) the issue of the 2023 Convertible Note and of the Conversion Shares on exercise of the Conversion Rights attached to it.

The Eminence Independent Financial Adviser has been appointed by Eminence after obtaining the approval of the Eminence Independent Board Committee to advise the Eminence Independent Board Committee and Eminence Shareholders in relation to (i) the Sale and Purchase Agreements and the transactions contemplated thereunder; (ii) the issue of the 2023 Convertible Note and of the Conversion Shares on exercise of the Conversion Rights attached to it; and (iii) how to vote at the Eminence SGM.

11. SPECIFIC MANDATE

The Conversion Shares will be allotted and issued under a mandate proposed to be granted to the Eminence Directors by a resolution passed at the Eminence SGM on which only Eminence Independent Shareholders are entitled to vote.

12. JOINT CIRCULAR

A joint circular of Easyknit and Eminence containing, among other things, (i) further details of the Sale and Purchase Agreements; (ii) financial information on the Post-Transaction Easyknit Group; (iii) financial information on the Post-Transaction Eminence Group; (iv) an independent property valuation report on the Properties; (v) a letter of recommendation from the Eminence Independent Board Committee to the Eminence Independent Shareholders; (vi) a letter of recommendation to the Eminence Independent Board Committee and the Eminence Independent Shareholders from the Eminence Independent Financial Adviser; (vii) a notice convening the Easyknit SGM; (viii) a notice convening the Eminence SGM; and (ix) other information required under the Listing Rules, is expected to be despatched to the Easyknit Shareholders and the Eminence Shareholders on or before 30 January 2023. That date is more than fifteen (15) Business Days after the publication of this joint announcement and the delay in despatch is expected because of the time required to collate relevant information to be included in the joint circular and the forthcoming holiday season.

13. WARNING

Completion of the Sale and Purchase Agreements is subject to the fulfilment of a number of conditions precedent, which among other things, include the approval of the Easyknit Shareholders and the approval of the Eminence Independent Shareholders. Hence, the transactions contemplated under the Sale and Purchase Agreements may or may not proceed.

Easyknit Shareholders and potential investors in Easyknit should exercise caution when dealing in or investing in the securities of Easyknit.

Eminence Shareholders and potential investors in Eminence should exercise caution when dealing in or investing in the securities of Eminence.

14. TRADING HALTS AND RESUMPTION OF TRADING

At the request of Easyknit, trading in Easyknit Shares on the Stock Exchange was halted at 9:00 a.m. on Thursday, 1 December 2022 pending the release of this joint announcement. Application has been made by Easyknit to the Stock Exchange for resumption of trading in Easyknit Shares on the Stock Exchange with effect from 9:00 a.m. on Thursday, 15 December 2022.

At the request of Eminence, trading in Eminence Shares on the Stock Exchange was halted at 9:00 a.m. on Thursday, 1 December 2022 pending the release of this joint announcement. Application has been made by the Eminence to the Stock Exchange for resumption of trading in Eminence Shares on the Stock Exchange with effect from 9:00 a.m. on Thursday, 15 December 2022.

15. DEFINITIONS

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

“2023 Convertible Note”	the 5% per annum coupon rate convertible note proposed to be issued by Eminence in part satisfaction of the Net Purchase Price in the principal amount of HK\$209,000,000 conferring rights to convert at any time before the fifth (5th) anniversary of the issue thereof the principal amount into Eminence Shares on the basis of an initial conversion price of HK\$0.106 per Conversion Share (subject to adjustments), pursuant to the terms and conditions of the 2023 Convertible Note
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“Ace Winner”	Ace Winner Investment Limited (運榮投資有限公司), a company incorporated in Hong Kong with limited liability, a wholly-owned subsidiary of Easyknit, and a substantial Eminence Shareholder
“Acquisition”	the acquisition by Eminence of the Sale Companies at Completion
“affiliated company”	the meaning ascribed to it in the Listing Rules
“associate”	the meaning ascribed thereto in the Listing Rules
“Bank Loans”	Bank Loan 1 and Bank Loan 2
“Bank Loan 1”	the outstanding principal together with interest accrued owing to Hang Seng Bank Limited by Easyknit, being approximately HK\$48.3 million in aggregate at 30 September 2022
“Bank Loan 2”	the outstanding principal together with interest accrued owing to Hang Seng Bank Limited by Company D, being HK\$77,850,706 in aggregate at 30 September 2022
“Business Day”	a day (other than a Saturday, Sunday and public holiday) on which banks in Hong Kong are open for business
“BVI”	the British Virgin Islands
“Capital Distribution”	(without prejudice to the generality of that phrase) includes distributions in cash or specie
“Company A”	On Channel International Limited (安昌國際有限公司), a company incorporated in Hong Kong with limited liability, a direct wholly-owned subsidiary of Easyknit Properties and an indirect wholly-owned subsidiary of Easyknit
“Company B”	Day Glory Investment Limited (日興投資有限公司), a company incorporated in Hong Kong with limited liability, a direct wholly-owned subsidiary of Easyknit Properties and an indirect wholly-owned subsidiary of Easyknit

“Company C”	Well Honest Investment Limited (宏誠投資有限公司), a company incorporated in Hong Kong with limited liability, a direct wholly-owned subsidiary of Easyknit Properties and an indirect wholly-owned subsidiary of Easyknit
“Company D”	Asia Million Investment Limited (僑萬投資有限公司), a company incorporated in Hong Kong with limited liability, a direct wholly-owned subsidiary of Easyknit Properties and an indirect wholly-owned subsidiary of Easyknit
“Completion”	completion of the sale and purchase of Sale Shares and Sale Loans under the Sale and Purchase Agreements
“Completion Date”	the date of Completion which will be ten (10) Business Days after the fulfilment or waiver of the last of the Conditions Precedent, or such other date as the parties to the respective Sale and Purchase Agreements may agree in writing
“Conditions Precedent”	the conditions precedent for completion of the Sale and Purchase Agreements summarised in the sub-section headed “Conditions Precedent” in this joint announcement
“connected person”	the meaning ascribed thereto in the Listing Rules
“Conversion Rights”	the rights attached to 2023 Convertible Note to convert the whole of the principal amount or a part thereof into Eminence Shares
“Conversion Shares”	the Eminence Shares to be allotted and issued by Eminence upon the exercise of the Conversion Rights attached to the 2023 Convertible Note
“Easyknit”	Easyknit International Holdings Limited (永義國際集團有限公司), 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 Easyknit Directors
“Easyknit Directors”	the directors of Easyknit

“Easyknit Group”	Easyknit and its subsidiaries
“Easyknit Properties”	Easyknit Properties Holdings Limited, a company incorporated under the laws of the BVI with limited liability and a direct wholly-owned subsidiary of Easyknit, being the seller of the Sale Companies
“Easyknit Sale Agreement A”	a conditional sale and purchase agreement dated 30 November 2022 between Easyknit Properties and Eminence for, inter alia, the sale by Easyknit Properties and purchase by Eminence of Company A
“Easyknit Sale Agreement B”	a conditional sale and purchase agreement dated 30 November 2022 between Easyknit Properties and Eminence for, inter alia, the sale by Easyknit Properties and purchase by Eminence of Company B
“Easyknit Sale Agreement C”	a conditional sale and purchase agreement dated 30 November 2022 between Easyknit Properties and Eminence for, inter alia, the sale by Easyknit Properties and purchase by Eminence of Company C
“Easyknit Sale Agreement D”	a conditional sale and purchase agreement dated 30 November 2022 between Easyknit Properties and Eminence for, inter alia, the sale by Easyknit Properties and purchase by Eminence of Company D
“Easyknit SGM”	the special general meeting of Easyknit to be convened and held for the purpose of considering and, if thought fit, approving, inter alia, the Sale and Purchase Agreements and the transactions contemplated thereunder
“Easyknit Shareholders”	holders of Easyknit Shares
“Easyknit Shares”	ordinary shares of HK\$0.10 each in the share capital of Easyknit
“Eminence”	Eminence Enterprise Limited (高山企業有限公司), 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)

“Eminence Board”	the board of Eminence Directors
“Eminence Directors”	the directors of Eminence
“Eminence Group”	Eminence and its subsidiaries
“Eminence Independent Board Committee”	an independent committee of the Eminence Board comprising all the independent non-executive Eminence Directors, established for the purposes of advising the Eminence Independent Shareholders on the Sale and Purchase Agreements and the transactions contemplated thereunder and the issue of the Conversion Shares on the exercise of the Conversion Rights attached to the 2023 Convertible Note
“Eminence Independent Financial Adviser”	Red Sun Capital Limited, a corporation licensed under the Securities and Futures Ordinance to conduct Type 6 regulated activity as defined in that Ordinance, the independent financial adviser appointed by Eminence to advise the Eminence Independent Board Committee and the Eminence Independent Shareholders in relation to the Sale and Purchase Agreements and the transactions contemplated thereunder and the issue of Conversion Shares on the exercise of the Conversion Rights attached to the 2023 Convertible Note
“Eminence Independent Shareholders”	Eminence Shareholders, other than Easyknit and its associates
“Eminence SGM”	the special general meeting of Eminence to be convened and held for the purpose of considering and, if thought fit, approving, inter alia, the Acquisition and the issue of the Conversion Shares on exercise of the Conversion Rights attached to the 2023 Convertible Note
“Eminence Shareholders”	holders of Eminence Shares
“Eminence Shares”	ordinary shares of HK\$0.01 each in the share capital of Eminence
“Eminence Subsidiary”	a company which is for the time being and from time to time a subsidiary of Eminence

“Goodco”	Goodco Development Limited (佳豪發展有限公司), a company incorporated in the BVI with limited liability, and an indirect wholly-owned subsidiary of Easyknit and a substantial Eminence Shareholder
“HKFRS”	Hong Kong Financial Reporting Standards
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party”	in respect of Easyknit, an entity that is independent of Easyknit and its connected persons; and in respect of Eminence, an entity that is independent of Eminence and its connected persons
“Issue Date”	the date of issue of the 2023 Convertible Note, which will be the Completion Date
“Landmark Profits”	Landmark Profits Limited, a company incorporated in the BVI with limited liability, a wholly-owned subsidiary of Easyknit and an Eminence Shareholder
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	30 June 2023 or such other date as the relevant parties may agree
“Net Purchase Price”	the aggregate sum of Purchase Price A, Purchase Price B, Purchase Price C and Purchase Price D
“Post-Transaction Easyknit Group”	the Easyknit Group immediately after Completion
“Post-Transaction Eminence Group”	the Eminence Group immediately after Completion
“PRC”	The People’s Republic of China
“Property A”	the commercial property held by Company A described in this joint announcement

“Property B”	the commercial property held by Company B described in this joint announcement
“Property C”	the commercial property held by Company C described in this joint announcement
“Property D”	the commercial property held by Company D described in this joint announcement
“Properties”	Property A, Property B, Property C and Property D
“Purchase Price A”	the sum of Sale Shares A Consideration and Sale Loan A Consideration
“Purchase Price B”	the sum of Sale Shares B Consideration and Sale Loan B Consideration
“Purchase Price C”	the sum of Sale Shares C Consideration and Sale Loan C Consideration
“Purchase Price D”	the sum of Sale Shares D Consideration and Sale Loan D Consideration
“Sale and Purchase Agreements”	the Easyknit Sale Agreement A, the Easyknit Sale Agreement B, the Easyknit Sale Agreement C and the Easyknit Sale Agreement D
“Sale Companies”	Company A, Company B, Company C and Company D
“Sale Loans”	Sale Loan A, Sale Loan B, Sale Loan C and Sale Loan D
“Sale Loan A”	in respect of Company A, the moneys owed by Company A to the Easyknit Group at Completion
“Sale Loan A Consideration”	the amount payable by Eminence for Sale Loan A
“Sale Loan B”	in respect of Company B, the moneys owed by Company B to the Easyknit Group at Completion

“Sale Loan B Consideration”	the amount payable by Eminence for Sale Loan B
“Sale Loan C”	in respect of Company C, the moneys owed by Company C to the Easyknit Group at Completion
“Sale Loan C Consideration”	the amount payable by Eminence for Sale Loan C
“Sale Loans Consideration”	the sum of Sale Loan A Consideration, Sale Loan B Consideration, Sale Loan C Consideration and Sale Loan D Consideration
“Sale Loan D”	in respect of Company D, the moneys owed by Company D to the Easyknit Group at Completion
“Sale Loan D Consideration”	the amount payable by Eminence for Sale Loan D
“Sale Shares”	Sale Shares A, Sale Shares B, Sale Shares C and Sale Shares D
“Sale Shares A”	the entire issued share capital of Company A
“Sale Shares A Consideration”	the amount payable by Eminence for Sale Shares A
“Sale Shares B”	the entire issued share capital of Company B
“Sale Shares B Consideration”	the amount payable by Eminence for Sale Shares B
“Sale Shares C”	the entire issued share capital of Company C
“Sale Shares C Consideration”	the amount payable by Eminence for Sale Shares C
“Sale Shares D”	the entire issued share capital of Company D
“Sale Shares D Consideration”	the amount payable by Eminence for Sale Shares D

“Sale Shares Consideration”	the sum of Sale Shares A Consideration, Sale Shares B Consideration, Sale Shares C Consideration and Sale Shares D Consideration
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary”	a subsidiary for the purposes of the Listing Rules
“substantial shareholder”	the meaning ascribed to it in the Listing Rules
“Takeovers Code”	The Code on Takeovers and Mergers of Hong Kong
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“sq. ft.”	square feet
“%”	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, 14 December 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.