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JOINT ANNOUNCEMENT



**EASYKNIT INTERNATIONAL
HOLDINGS LIMITED**

永義國際集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 1218)



EMINENCE ENTERPRISE LIMITED

高山企業有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 616)

DISCLOSEABLE TRANSACTION

MAJOR TRANSACTION

DISPOSAL OF PROPERTY IN SINGAPORE

THE DISPOSAL

The Easyknit Board and the Eminence Board jointly announce that on 4 November 2022, the Purchasers accepted and exercised the Option granted by the Vendor under the Option to Purchase, pursuant to which the Vendor has agreed to sell, and the Purchasers have agreed to purchase the Property at the Sale Price subject to the terms and conditions of the Option to Purchase.

LISTING RULES IMPLICATIONS

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

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

As one or more of the applicable percentage ratios (as defined under the Listing Rules) for Eminence in respect of the Disposal exceed(s) 25% but is or are less than 75% pursuant to Rule 14.07 of the Listing Rules, the Disposal constitutes a major transaction for Eminence under Rule 14.06(3) of the Listing Rules and is therefore subject to the reporting, announcement and the Eminence Shareholders' approval requirements under Chapter 14 of 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 Eminence, written approvals of the Disposal have been obtained from Easyknit, Goodco and Ace Winner (both being wholly-owned subsidiaries of Easyknit), a closely allied group of the Eminence Shareholders holding 27,000,000 Eminence Shares, 562,231,961 Eminence Shares and 484,538,175 Eminence Shares, together holding a total of 1,073,770,136 Eminence Shares, representing approximately 50.50% of the total issued Eminence Shares as at the date of this joint announcement.

So far as Eminence is aware, having made all reasonable enquiries, no Eminence Shareholder has a material interest in, and would be required to abstain from voting on the relevant resolution(s) to approve, the Disposal if Eminence were to convene a general meeting for approving the Disposal.

GENERAL

A circular containing, among other things, (i) further details of the Disposal; (ii) the financial information of the Eminence Group; (iii) an independent property valuation report on the Property; and (iv) other information as required under the Listing Rules, is expected to be despatched to the Eminence Shareholders on or before 25 November 2022.

THE OPTION TO PURCHASE

On 4 November 2022, the Purchasers accepted and exercised the Option granted by the Vendor under the Option to Purchase, pursuant to which the Vendor has agreed to sell, and the Purchasers have agreed to purchase the Property at the Sale Price subject to the terms and conditions of the Option to Purchase.

The principal terms of the Option to Purchase are set out below:

Date: 4 November 2022

Parties: (1) The Vendor; and
(2) The Purchasers

To the best knowledge, information and belief of the Easyknit Directors and the Eminence Directors, having made all reasonable enquiries, the Purchasers are Independent Third Parties.

The Option to Purchase shall constitute a binding agreement of the sale and purchase of the Property between the parties subject to the Vendor obtaining all requisite shareholder approvals from (i) Eminence, the parent company of the Vendor, obtaining all requisite approval(s) from the Eminence Shareholders in respect of the sale of the Property pursuant to the Listing Rules; and (ii) Easyknit obtaining all requisite approval(s) from the Easyknit Shareholders in respect of the sale of the Property pursuant to the Listing Rules (if required). The Property is sold on an “as is, where is” basis in its present state and condition and subject to the existing tenancy agreement.

The Property to be disposed of

As at the date of this joint announcement, the Vendor owns the Property which is approximately twenty (20) years, is a four (4)-bedroom residential apartment unit with a total strata floor area of approximately 268 square metres located on the sixth (6th) storey of a thirty (30)-storey block within a condominium development of 15 Ardmore Park #06-04, Ardmore Park, Singapore 259959. The Property has been leased with expiry date on 6 June 2024 and the annual gross rental is approximately S\$198,000 (equivalent to approximately HK\$1,089,000).

The Sale Price for the Disposal

The Sale Price for the Disposal is S\$12,500,000 (equivalent to approximately HK\$68,750,000), which has been paid or will be payable by the Purchasers to the Vendor in the following manner:

- (a) a sum of S\$125,000 (equivalent to approximately HK\$687,500) was paid by the Purchasers to the Vendor at the time of granting the Option to the Purchasers (the “**Option Money**”);
- (b) a sum of S\$500,000 (equivalent to approximately HK\$2,750,000) (equivalent to five per cent. (5%) of the Sale Price less the Option Money) has been paid by the Purchasers in favour of the Vendor’s solicitors to be held as stakeholders upon the exercise and acceptance of the Option on or before 4 November 2022; and
- (c) the remaining balance of S\$11,875,000 (equivalent to approximately HK\$65,312,500) will be payable on the Completion.

The Sale Price for the Disposal was arrived at after arm’s length negotiations between the parties and determined with reference to the preliminary valuation of the Property prepared by a property valuer (an Independent Third Party) as at 31 October 2022 of S\$11,160,000 (equivalent to approximately HK\$61,380,000), and the recent transactions and market prices of comparable properties at similar locations.

Conditions Precedent

The Completion shall be subject to or conditional upon (i) Eminence, the parent company of the Vendor, obtaining all requisite approval(s) from the Eminence Shareholders in respect of the sale of the Property pursuant to the Listing Rules; and (ii) Easyknit obtaining all requisite approval(s) from the Easyknit Shareholders in respect of the sale of the Property pursuant to the Listing Rules (if required).

Completion

Subject to the satisfaction of conditions precedent, the Completion shall take place on 16 December 2022. In the event the Easyknit Shareholders' and the Eminence Shareholders' approvals are not obtained by 16 December 2022, the Completion shall be extended to 6 January 2023 and in the event approvals in the aforesaid are not obtained by such extended date, the Option to Purchase shall be cancelled and the five per cent. (5%) of the Sale Price paid by the Purchasers shall be reimbursed to the Purchasers without any interest thereon. The Purchasers shall not claim any loss or damage against the Vendor for the cancellation of the Option to Purchase.

INFORMATION ON THE VENDOR, THE EMINENCE GROUP AND THE EASYKNIT GROUP

The Vendor, an indirect wholly-owned subsidiary of Eminence and an indirect non-wholly owned subsidiary of Easyknit, is a company incorporated in the British Virgin Islands with limited liability. The principal activity of the Vendor is property investment.

Eminence is an investment holding company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 616). As at the date of this joint announcement, Eminence is owned as to approximately 51.60% by Easyknit, and thus is a non-wholly owned subsidiary of Easyknit. The Eminence Group is principally engaged in property development, property investment, investment in securities and others and loan financing businesses.

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

INFORMATION ON THE PURCHASERS

The Purchasers are individuals. To the best knowledge, information and belief of the Easyknit Directors and the Eminence Directors, having made all reasonable enquiries, the Purchasers are Independent Third Parties.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Easyknit Directors and the Eminence Directors have considered the current financial position and business operation of the Group, and the overall economy and property market in Singapore, and are of the opinion that the current market presents a good opportunity for the Group and the Disposal represents a favourable opportunity to realise the value of the Property at a reasonable price. In addition, the proceeds from the Disposal will strengthen the financial position of the Group and increase the general working capital of the Group. The Disposal will allow the Group to realize its property investment and reallocate its financial resources to other business development.

The Easyknit Directors and the Eminence Directors (including the respective independent non-executive Easyknit Directors and Eminence Directors) consider that the terms and conditions of the Option to Purchase and the Disposal are conducted in the ordinary course of the Group's property investment business and on normal commercial terms, and believe that the Sale Price for the Disposal is fair and reasonable and in the respective interests of Easyknit and the Easyknit Shareholders, and Eminence and the Eminence Shareholders as a whole.

FINANCIAL IMPACT OF THE DISPOSAL AND USE OF PROCEEDS

Based on the preliminary valuation of the Property prepared by a property valuer (an Independent Third Party) as at 31 October 2022, the value of the Property is S\$11,160,000 (equivalent to approximately HK\$61,380,000).

As at 30 September 2022, the aggregate book value of the Property was approximately S\$11,310,000 (equivalent to approximately HK\$62,205,000). The Group is expected to recognize a gain on disposal of the Property of approximately S\$1,190,000 (equivalent to approximately HK\$6,545,000) (being the difference between the Sale Price over the book value, exclusive of expenses).

The Group intends to use the net proceeds from the Disposal for the general working capital of the Group.

LISTING RULES IMPLICATIONS

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

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

As one or more of the applicable percentage ratios (as defined under the Listing Rules) for Eminence in respect of the Disposal exceed(s) 25% but is or are less than 75% pursuant to Rule 14.07 of the Listing Rules, the Disposal constitutes a major transaction for Eminence under Rule 14.06(3) of the Listing Rules and is therefore subject to the reporting, announcement and the Eminence Shareholders' approval requirements under Chapter 14 of 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 Eminence, written approvals of the Disposal have been obtained from Easyknit, Goodco and Ace Winner (both being wholly-owned subsidiaries of Easyknit), a closely allied group of the Eminence Shareholders holding 27,000,000 Eminence Shares, 562,231,961 Eminence Shares and 484,538,175 Eminence Shares, together holding a total of 1,073,770,136 Eminence Shares, representing approximately 50.50% of the total issued Eminence Shares as at the date of this joint announcement.

So far as Eminence is aware, having made all reasonable enquiries, no Eminence Shareholder has a material interest in, and would be required to abstain from voting on the relevant resolution(s) to approve, the Disposal if Eminence were to convene a general meeting for approving the Disposal.

GENERAL

A circular containing, among other things, (i) further details of the Disposal; (ii) the financial information of the Eminence Group; (iii) an independent property valuation report on the Property; and (iv) other information as required under the Listing Rules, is expected to be despatched to the Eminence Shareholders on or before 25 November 2022.

DEFINITIONS

In this joint 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 direct wholly-owned subsidiary of Easyknit and a substantial Eminence Shareholder
“Completion”	the completion of the Disposal
“discloseable transaction”	the meaning ascribed thereto in the Listing Rules
“Disposal”	the sale and purchase of the Property pursuant to the terms and conditions of the Option to Purchase
“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 directors of Easyknit
“Easyknit Directors”	the directors of Easyknit
“Easyknit Group”	Easyknit and its subsidiaries
“Easyknit Share(s)”	ordinary share(s) of par value of HK\$0.10 each in the share capital of Easyknit
“Easyknit Shareholder(s)”	holder(s) of the Easyknit Share(s)
“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), and an approximately 51.60%-owned subsidiary of Easyknit

“Eminence Board”	the board of directors of Eminence
“Eminence Directors”	the directors of Eminence
“Eminence Group”	Eminence and its subsidiaries
“Eminence Share(s)”	ordinary share(s) of par value of HK\$0.01 each in the share capital of Eminence
“Eminence Shareholder(s)”	holder(s) of the Eminence Share(s)
“Goodco”	Goodco Development Limited, a company incorporated in the British Virgin Islands with limited liability, and an indirect wholly-owned subsidiary of Easyknit and a substantial Eminence Shareholder
“Group”	collectively, the Easyknit Group and the Eminence Group
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	person(s) (and in the case of company(ies) and corporation(s), their ultimate beneficial owner(s)) who, to the best knowledge and belief of the Easyknit Directors and the Eminence Directors, as the case may be, having made all reasonable enquiries, is or are third party(ies) independent of and not connected with Easyknit or Eminence, as the case may be, and their respective connected persons (as defined in the Listing Rules)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Main Board”	the main board maintained and operated by the Stock Exchange
“major transaction”	the meaning ascribed thereto in the Listing Rules
“Option”	the option to purchase the Property pursuant to the terms and conditions of the Option to Purchase
“Option to Purchase”	the agreement dated 4 November 2022 entered into between the Vendor and the Purchasers in relation to the grant and exercise of the Option
“Property”	a four (4)-bedroom residential apartment unit with a strata floor area of approximately 268 square metres located on the sixth (6th) storey of a thirty (30)-storey block within a condominium development of 15 Ardmore Park #06-04, Ardmore Park, Singapore 259959

“Purchasers”	Claire Huang and Eva Huang, both being individuals and Independent Third Parties
“Sale Price”	S\$12,500,000 (equivalently to approximately HK\$68,750,000), being the consideration for the Disposal pursuant to the Option to Purchase
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary”	the meaning defined in the Listing Rules
“Vendor”	Grow Well Profits Limited, a company incorporated in the British Virgin Islands with limited liability, and an indirect wholly-owned subsidiary of Eminence and an indirect non-wholly owned subsidiary of Easyknit
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“S\$”	Singapore dollars, the lawful currency of Singapore
“%”	per cent.

For the purpose of this joint announcement, unless otherwise stated, the exchange rate of S\$1.00 = HK\$5.50 is for the purpose of illustration only and does not constitute a representation that any amounts in S\$ and HK\$ have been, could have been or may be converted at such rate or any other exchange rate.

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, 4 November 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.