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EASYKNIT INTERNATIONAL HOLDINGS LIMITED

永義國際集團有限公司

(incorporated in Bermuda with limited liability)

(Stock Code : 1218)

MAJOR TRANSACTION

DEEMED DISPOSAL AND RESUMPTION OF TRADING

PLACING OF NEW SHARES BY EMINENCE

On 29 May 2023, after trading hours, Eminence, an indirect non-wholly owned subsidiary of the Company entered into the Placing Agreement with the Placing Agent pursuant to which, Eminence has conditionally agreed to issue under the Eminence Specific Mandate, and the Placing Agent has conditionally agreed to procure not fewer than six (6) Placees, on a best effort basis to subscribe for a maximum of up to 50,000,000 new Eminence Shares at the Placing Price of HK\$0.50 per Placing Share, subject to the terms and conditions of the Placing Agreement.

The maximum number of Placing Shares to be placed by the Placing Agent will be 50,000,000 new Eminence Shares (the aggregate nominal value being approximately HK\$500,000 after taking into account the effect of the Eminence Capital Reorganisation).

Assuming the Eminence Capital Reorganisation has become effective and that there will be no change in the issued share capital of Eminence between the date of this announcement and the completion of the Placing, the maximum number of 50,000,000 Placing Shares represents (i) approximately 94.08% of the issued share capital of Eminence as at the effective date of the Eminence Capital Reorganisation; and (ii) approximately 48.47% of the issued share capital of Eminence as enlarged by the allotment and issue of the Placing Shares after taking into account the effect of the Eminence Capital Reorganisation.

Assuming the Eminence Capital Reorganisation has become effective, the Placing Price of HK\$0.50 per Placing Share represents (i) a discount of approximately 21.88% to the closing price of HK\$0.016 per existing Eminence Share as quoted on the Stock Exchange on 29 May 2023, being the date of the Placing Agreement; and (ii) a discount of approximately 24.70% to the average closing price of approximately HK\$0.0166 per existing Eminence Share as quoted on the Stock Exchange for the last five consecutive trading days of the Eminence Shares immediately prior to the date of the Placing Agreement.

The Eminence Placing is conditional upon the approval of Eminence Shareholders at the Eminence SGM and Stock Exchange granting the listing of, and permission to deal in, the Placing Shares.

Shareholders and potential investors should note that the Eminence Placing is subject to the fulfilment of the condition(s) under the Placing Agreement as set out in the section headed “Conditions of the Placing Agreement”. As the Eminence Placing may or may not proceed to Completion, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

DEEMED DISPOSAL

As at the date of this announcement, the Company is a controlling shareholder (as defined under the Listing Rules) of Eminence, holding 1,097,157,506 Eminence Shares, representing approximately 51.61% of the total issued share capital of Eminence.

Assuming all the 50,000,000 Placing Shares are successfully placed under the Placing Agreement, the shareholding interest of the Company in Eminence will be diluted from approximately 51.61% to approximately 26.59% (assuming the Eminence Capital Reorganisation has become effective and there will be no other change to the issued share capital of Eminence between the date of this announcement and the date of the completion of Placing, other than the issue by Eminence of the Placing Shares), representing a decrease of approximately 25.02%. Accordingly, such dilution of shareholding interest in Eminence of the Company immediately after the Completion constitutes a deemed disposal transaction of the Company under Rule 14.29 of the Listing Rules.

Following the Eminence Placing, Eminence will no longer be a subsidiary of the Company and its financial results and financial positions will not be consolidated in the consolidated financial statements of the Group.

LISTING RULES IMPLICATIONS

As one or more applicable percentage ratio(s) in respect of the Deemed Disposal is/are more than 25% but less than 75%, the Deemed Disposal, constitutes a major transaction of the Company under Chapter 14 of the Listing Rules, and is therefore subject to the reporting, announcement and the Shareholders’ approval requirements under Chapter 14 of the Listing Rules.

As at the date of this announcement, Magical Profits Limited is holding 29,179,480 Shares. Each of Ms. Koon Ho Yan Candy, an executive Director, and The Winterbotham Trust Company Limited as the trustee of The Magical 2000 Trust is taken to have an interest in the same block of 29,179,480 Shares. Sea Rejoice Limited is holding 11,429,664 Shares. Ms. Lui Yuk Chu, an executive Director, is the sole shareholder of Sea Rejoice Limited. Ms. Koon Ho Yan Candy is the eldest daughter of Ms. Lui Yuk Chu and are concert parties. Pursuant to Rule 14.44 of the Listing Rules, in lieu of a resolution to be passed at a general meeting of the Company, written approvals of the Deemed Disposal have been obtained from Sea Rejoice Limited and Magical Profits Limited, a closely allied group of the Shareholders, together holding a total of 40,609,144 Shares, representing approximately 54.89% of the total issued Shares as at the date of this announcement.

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, as no Shareholder has a material interest in the Deemed Disposal, no Shareholders will be required to abstain from voting on the relevant resolution(s) to approve the Deemed Disposal and transactions contemplated thereunder if the Company was to convene a general meeting for approving the Deemed Disposal and the transactions contemplated thereunder.

CIRCULAR

A circular of the Company containing, among other things, further details of the Deemed Disposal is expected to be despatched to the Shareholders on or before 20 June 2023.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was halted with effect from 9:00 a.m. on Tuesday, 30 May 2023 pending the release of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on Wednesday, 31 May 2023.

THE PLACING AGREEMENT

Date

29 May 2023 (after trading hours)

Issuer

Eminence

Placing Agent

Kingston Securities Limited

To the best of the knowledge, information and belief of Eminence Directors, having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owners are Independent Third Parties. As at the date of this announcement, the Placing Agent and its ultimate beneficial owners were not interested in any other securities of the Company and Eminence. The Placing Agent will be entitled to receive a placing commission of 1% of the Placing Price in respect of such number of the Placing Shares successfully placed by the Placing Agent plus any other out-of-pocket charges and expenses by the Placing Agent in relation to the Eminence Placing.

Placees

The Placing Agent has conditionally agreed to place, on a best effort basis, the Placing Shares to not fewer than six Placees at the Placing Price pursuant to the terms and conditions of the Placing Agreement. Each of the Placees and (where applicable) their respective ultimate beneficial owner(s) shall be third parties independent of and not connected with each of Eminence, the Company and/or their respective connected person(s), and that each of the Placees is not acting in concert (as defined under the Takeovers Code) with the Company, Eminence and/or any of their respective connected person(s) in relation to the control of Eminence. It is expected that none of the Placees will become a substantial shareholder (as defined under the Listing Rules) of Eminence immediately upon completion of the Eminence Placing.

Number of Placing Shares

Assuming the Eminence Capital Reorganisation has become effective and there will be no other change to the issued share capital of Eminence between the date of this announcement and the date of the Completion, other than the issue by Eminence of the Placing Shares, the maximum number of 50,000,000 Placing Shares represent (i) approximately 94.08% of the issued share capital of Eminence as at the effective date of the Eminence Capital Reorganisation; and (ii) approximately 48.47% of the issued share capital of Eminence as enlarged by the allotment and issue of the Placing Shares after taking into account the effect of the Eminence Capital Reorganisation..

Placing Price

Based on the closing price of the Eminence Shares of HK\$0.016 per Eminence Share on 29 May 2023, the date of the Placing Agreement, the Placing Shares have a market value of approximately HK\$800,000. The aggregate nominal value of the Placing Shares is HK\$500,000.

Assuming the Eminence Capital Reorganisation has become effective, the Placing Price of HK\$0.50 per Placing Share represents:

- (i) a discount of approximately 21.88% to the closing price of HK\$0.016 per existing Eminence Share as quoted on the Stock Exchange on 29 May 2023, being the date of the Placing Agreement; and
- (ii) a discount of approximately 24.70% to the average closing price of approximately HK\$0.0166 per existing Eminence Share as quoted on the Stock Exchange for the five consecutive trading days of the Eminence Shares immediately prior to the date of the Placing Agreement.

The Placing Price was determined after arm's length negotiation between Eminence and the Placing Agent with reference to the prevailing market prices of the existing Eminence Shares. The Eminence Directors (including the independent non-executive Eminence Directors) consider that the terms and conditions of the Placing Agreement (including the Placing Price and the placing commission) are fair and reasonable based on the current market conditions and in the interests of Eminence and the Eminence Shareholders as a whole.

Conditions of the Placing Agreement

The Eminence Placing is conditional upon the fulfilment of all of the following conditions:

- (a) the duly passing of resolution(s) at the Eminence SGM by the Eminence Shareholders in relation to (i) the Eminence Capital Reorganisation; and (ii) the Placing Agreement and the Eminence Specific Mandate for the allotment and issue of the Placing Shares in accordance with the terms and conditions under the Placing Agreement;
- (b) the Eminence Capital Reorganisation becoming effective;
- (c) the Listing Committee of the Stock Exchange granting or agreeing to grant the listing of, and permission to deal in, the new Eminence Shares;
- (d) the Listing Committee of the Stock Exchange granting or agreeing to grant the listing of, and permission to deal in, the Placing Shares;
- (e) the compliance with the relevant procedures and requirements under the applicable laws of Bermuda and the Listing Rules to effect the Eminence Capital Reorganisation;
- (f) the Bermuda Monetary Authority having granted all, and not revoking any necessary approvals and permissions for the creation, allotment and issue of the Placing Shares, if applicable; and
- (g) the obligations of the Placing Agent under the Placing Agreement not being terminated in accordance with the terms under the Placing Agreement, including provisions regarding force majeure event.

Save for the conditions (a) and (b) above, if the above conditions precedent are not satisfied and/or waived in whole or in part by the Placing Agent on or before the Long Stop Date, the Eminence Placing will be terminated and will not proceed and all obligations and liabilities of the parties under the Placing Agreement will forthwith cease and determine and no party will have any claim against the others (save for any antecedent breach of the Placing Agreement).

As at the date of this announcement, none of the above conditions had been fulfilled.

Completion of the Eminence Placing

The Completion, in any event, will take place on the fourth (4th) Business Day (the “**Completion Date**”), after the fulfillment of the conditions set out in section headed “Conditions of the Placing Agreement” above or such other date to be agreed between Eminence and the Placing Agent in writing.

Termination of the Placing Agreement

Pursuant to the Placing Agreement, the Placing Agent is entitled to terminate the arrangements set out in the Placing Agreement by notice in writing prior to 9:00 a.m. on the Completion Date, if in its absolute opinion, the success of the Placing would be materially and adversely affected by any of the following force majeure events:

- (i) the introduction of any new laws or regulations or any changes in existing laws or regulations (or the judicial interpretation thereof) or other occurrence of any natures whatsoever which may, in the absolute opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Eminence Group as a whole; or
- (ii) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before and/or after the date of the Placing Agreement) of a political, military, financial, economic, currency (including a change in the system under which the value of the Hong Kong currency is linked to the currency of the United States of America) or other nature (whether or not sui generis with any of the foregoing), or in the nature of any local, national, international outbreak or escalation of hostilities or armed conflict, or affecting local securities market or the occurrence of any combination of circumstances which may, in the absolute opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Eminence Group as a whole or adversely prejudices the success of the Eminence Placing (such success being the placing of the Placing Shares to potential investor(s)) or otherwise makes it inexpedient or inadvisable for Eminence or the Placing Agent to proceed with the Eminence Placing; or

- (iii) any change in market conditions or combination of circumstances in Hong Kong (including without limitation suspension or material restriction or trading in securities) occurs which affect the success of the Eminence Placing (such success being the placing of the Placing Shares to potential investor(s)) or otherwise in the absolute opinion of the Placing Agent makes it inexpedient or inadvisable or inappropriate for Eminence or the Placing Agent to proceed with the Eminence Placing.

Pursuant to the Placing Agreement, if, at or prior to 9:00 a.m. on the Completion Date,

- (i) Eminence commits any material breach of or omits to observe any of the obligations or undertakings expressed or assumed under the Placing Agreement; or
- (ii) any suspension in the trading of the Eminence Shares on the Stock Exchange for more than ten (10) consecutive trading days save for the purposes of clearing of any announcement(s) relating to the Placing Agreement or any announcement(s) or circular(s) relating to the Eminence Placing; or
- (iii) the Placing Agent shall become aware of the fact that any of the representations or warranties contained in the Placing Agreement was, when given, untrue or inaccurate or would in any respect be untrue or inaccurate, if repeated, the Placing Agent in its absolute opinion shall determine that any such untrue representation or warranty represents or is likely to represent a material adverse change in the financial or trading position or prospects of the Eminence Group taken as a whole or will otherwise likely to have a material prejudicial effect on the Eminence Placing,

the Placing Agent shall be entitled (but not bound) by notice in writing to Eminence to elect to treat such matter or event as releasing and discharging the Placing Agent from its obligations under the Placing Agreement.

Upon giving notice pursuant to the paragraph above, all obligations of the Placing Agent under the Placing Agreement shall cease and determine and no parties shall have any claim against any other parties of the Placing Agreement in respect of any matter or thing arising out of or in connection with the Placing Agreement, save for any antecedent breaches.

Upon termination of the Placing Agreement, all liabilities of the parties shall cease and determine and no party shall have any claim against the other parties in respect of any matter or thing arising out of or in connection with the Placing Agreement save in respect of any antecedent breaches.

Ranking of the Placing Shares

The Placing Shares, when allotted, issued and fully paid, will rank *pari passu* in all respects among themselves and with all other Eminence Shares in issue or to be issued by Eminence on the date of allotment and issue of the Placing Shares.

Specific Mandate

The Placing Shares will be allotted and issued under the Eminence Specific Mandate which are subject to the approval of the Eminence Shareholders at the Eminence SGM.

Application for Listing

An application will be made by Eminence to the Stock Exchange for the listing of, and permission to deal in, the Placing Shares.

REASONS FOR THE EMINENCE PLACING AND USE OF PROCEEDS

Subject to the Completion, assuming only the Eminence Placing is completed in full, it is expected that the maximum gross and net proceeds (after deducting the placing commission and other relevant costs and expenses of the Eminence Placing) from the Eminence Placing will be approximately HK\$25,000,000 and HK\$24,660,000 respectively, representing a net issue price of approximately HK\$0.49 per Placing Share (assuming the Eminence Capital Reorganisation has become effective). Eminence intends to use the net proceeds for repayment of the Eminence Group's bank loan(s).

The Eminence Board is of the view that the Eminence Placing will strengthen the financial position of Eminence and provide funding to Eminence to repay the outstanding bank loan and lower the gearing ratio of the Eminence Group. The Placing also represents good opportunities to broaden the Eminence Shareholders' base and the capital base of Eminence.

The Eminence Directors (including the independent non-executive Eminence Directors) consider that the terms and conditions of the Placing Agreement are fair and reasonable and are on normal commercial terms and the Eminence Placing is in the interests of Eminence and Eminence Shareholders as a whole.

FUND RAISING ACTIVITIES OF EMINENCE DURING THE PAST 12 MONTHS

On 27 July 2022, the Placing Agent and Eminence entered into a placing agreement to place 607,400,000 Eminence Shares at the placing price of HK\$0.068 per placing share to not fewer than six (6) placees who and whose ultimate beneficial owners are Independent Third Parties. The placing shares were allotted and issued under the specific mandate granted to the Eminence Directors by resolution of Eminence Shareholders passed at a special general meeting of Eminence held on 14 September 2022 and had been completed on 26 September 2022. The net proceeds from this placing (after deducting the placing commission and other relevant costs and expenses) amounted to approximately HK\$40,800,000 proposed to be used for general working capital and all were fully utilized as at the date of this announcement. Details of the placing have been disclosed in Eminence's announcement dated 27 July 2022, 14 September 2022 and 26 September 2022 respectively and circular dated 23 August 2022.

FINANCIAL INFORMATION OF EMINENCE GROUP

Set out below are the abridged audited consolidated results of Eminence Group for the two years ended 31 March 2021 and 2022 respectively as extracted from the annual report of Eminence for the year ended 31 March 2022:

	For the year ended 31 March 2021 <i>HK\$'000</i>	For the year ended 31 March 2022 <i>HK\$'000</i>
Profit (loss) before taxation	(190,743)	123,497
Profit (loss) after taxation	(180,793)	116,447

The unaudited total asset value and net asset value of Eminence Group as at 30 September 2022 were approximately HK\$50,365,900,000 and HK\$3,167,082,000 respectively.

FINANCIAL IMPACT OF THE PLACING TO THE COMPANY

Immediately after the Completion, Eminence will no longer be a subsidiary of the Company and its financial results and financial positions will not be consolidated in the consolidated financial statements of the Group.

EFFECT OF THE SHAREHOLDING STRUCTURE OF THE COMPANY

As at the date of this announcement, Eminence has 2,125,924,676 Eminence Shares in issue. The table below sets out the shareholding structure of Eminence (i) as at the date of this announcement (ii) immediately after the Eminence Capital Reorganisation becoming effective but before the Completion; and (iii) immediately upon the Completion (assuming the maximum number of the Placing Shares are placed in full and there is no other change in the share capital of Eminence from the date of this announcement up to the Completion):

Shareholders	As at the date of this announcement		Immediately after the Eminence Capital Reorganisation becoming effective but before the completion		Immediately upon the Completion	
	Number of Existing Eminence Shares	Approximate %	Number of New Eminence Shares	Approximate %	Number of New Eminence Shares	Approximate %
The Company	27,000,000	1.27	675,000	1.27	675,000	0.65
Ace Winner Investment Limited (Note 1)	484,538,175	22.79	12,113,454	22.79	12,113,454	11.74
Goodco Development Limited (Note 1)						
- Eminence Shares	562,231,961	26.45	14,055,799	26.45	14,055,799	13.63
- underlying Eminence Shares	1,971,698,113*		49,292,452*		49,292,452*	
Landmark Profits Limited (Note 1)	23,387,370	1.10	584,684	1.10	584,684	0.57
	1,097,157,506	51.61	27,427,937	51.61	27,427,937	26.59
Hu Rong	47,030,000	2.21	1,175,750	2.21	1,175,750	1.14
The Placees	-	-	-	-	50,000,000	48.47
Other public Eminence Shareholders	981,737,170	46.18	24,543,429	46.18	24,543,429	23.80
Total	2,125,924,676	100.00	53,148,116	100.00	103,148,116	100.00

Note:

1. a wholly-owned subsidiary of the Company

* For illustration purposes only. The Eminence Shares underlying the 2023 Convertible Note have not been added into the total amount or percentage.

INFORMATION ON EMINENCE GROUP

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 announcement, Eminence is owned as to approximately 51.61% by the Company, and thus is a non-wholly owned subsidiary of the Company; and the Eminence Group holds approximately 1.82% of the Company. The Eminence Group is principally engaged in property development, property investment, investment in securities and others and loan financing businesses.

INFORMATION ON THE GROUP

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

INFORMATION ON THE PLACING AGENT

Kingston Securities Limited, the placing agent and a licensed corporation to carry on business in Type 1 (dealing in securities) regulated activity under the SFO.

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

DEEMED DISPOSAL OF THE COMPANY AND LISTING RULES IMPLICATIONS

As at the date of this announcement, the Company is a controlling shareholder (as defined under the Listing Rules) of Eminence, holding 1,097,157,506 Eminence Shares, representing approximately 51.61% of the total issued share capital of Eminence.

Assuming all the 50,000,000 Placing Shares are successfully placed under the Placing Agreement, the shareholding interest of the Company in Eminence will be diluted from approximately 51.61% to approximately 26.59% (assuming the Eminence Capital Reorganisation has become effective and there will be no other change to the issued share capital of Eminence between the date of this announcement and the date of the Completion, other than the issue by Eminence of the Placing Shares), representing a decrease of approximately 25.02%. Accordingly, such dilution of shareholding interest in Eminence of the Company immediately after the Completion constitutes a deemed disposal transaction of the Company under Rule 14.29 of the Listing Rules.

Following the Eminence Placing, Eminence will no longer be a subsidiary of the Company and its financial results and financial positions will not be consolidated in the consolidated financial statement of the Group.

As one or more applicable percentage ratios in respect of the Deemed Disposal are more than 25% but less than 75%, the Deemed Disposal, constitutes a major transaction of the Company under Chapter 14 of the Listing Rules, and is therefore subject to the reporting, announcement and the Shareholders' approval requirements under Chapter 14 of the Listing Rules.

As at the date of this announcement, Magical Profits Limited is holding 29,179,480 Shares. Each of Ms. Koon Ho Yan Candy, an executive Director, and The Winterbotham Trust Company Limited as the trustee of The Magical 2000 Trust is taken to have an interest in the same block of 29,179,480 Shares. Sea Rejoice Limited is holding 11,429,664 Shares. Ms. Lui Yuk Chu, an executive Director, is the sole shareholder of Sea Rejoice Limited. Ms. Koon Ho Yan Candy is the eldest daughter of Ms. Lui Yuk Chu and are concert parties. Pursuant to Rule 14.44 of the Listing Rules, in lieu of a resolution to be passed at a general meeting of the Company, written approvals of the Deemed Disposal have been obtained from Sea Rejoice Limited and Magical Profits Limited, a closely allied group of the Shareholders, together holding a total of 40,609,144 Shares, representing approximately 54.89% of the total issued Shares as at the date of this announcement.

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, as no Shareholder has a material interest in the Deemed Disposal, no Shareholders will be required to abstain from voting on the relevant resolution(s) to approve the Deemed Disposal and transactions contemplated thereunder if the Company was to convene a general meeting for approving the Deemed Disposal and the transactions contemplated thereunder

REASONS FOR AND THE BENEFITS OF THE DEEMED DISPOSAL

The Board concurs with the view of the Eminence Board as set out under the paragraph of “Reasons for the Eminence Placing and Use of Proceeds” that the Eminence Placing will strengthen the financial position of Eminence and provide funding to Eminence to repay the outstanding bank loan and lower the gearing ratio of the Eminence Group.

Having considered that the benefits on Eminence as set out above outweighing the dilution effect on shareholding interest of the Company in Eminence, the Directors consider that the Deemed Disposal is fair and reasonable and in the interest of the Group and the Shareholders as a whole.

Shareholders and potential investors should note that Eminence Placing is subject to the fulfilment of the condition under the Placing Agreement as set out in the section headed “Conditions of the Placing Agreement”. As the Eminence Placing may or may not proceed to Completion, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

CIRCULAR

A circular of the Company containing, among other things, further details of the Deemed Disposal is expected to be despatched to the Shareholders on or before 20 June 2023.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was halted with effect from 9:00 a.m. on Tuesday, 30 May 2023 pending the release of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on Wednesday, 31 May 2023.

DEFINITIONS

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

“2023 Convertible Note”	the 5% per annum coupon rate convertible note in a principal amount of HK\$209,000,000 issued by Eminence to Goodco Development Limited on 20 February 2023 (as amended from time to time) at an initial conversion price of HK\$0.106 per conversion share (subject to adjustments) due on 19 February 2028 pursuant to the terms and conditions of the 2023 Convertible Note
“Board”	the board of directors of the Company
“Business Day”	means any day (other than a Saturday) on which banks are open for business in Hong Kong
“Company”	Easyknit International Holdings Limited, an exempted company incorporated in Bermuda with limited liability, the shares of which are listed on the main board of the Stock Exchange (Stock Code: 1218)
“Completion”	completion of the Eminence Placing in accordance with the terms and conditions of the Placing Agreement
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Deemed Disposal”	deemed disposal of the shareholding interest of the Company in Eminence as a result of the dilution of shareholding interest of the Company in Eminence upon the allotment and issue of the Placing Shares
“Director(s)”	the director(s) of the Company

“Eminence”	Eminence Enterprise Limited, an exempted company incorporated in Bermuda with limited liability, the shares of which are listed on the main board of the Stock Exchange (Stock Code: 616), and an approximately 51.61%-owned subsidiary of the Company
“Eminence Board”	the board of directors of Eminence
“Eminence Capital Reorganisation”	collectively, (i) the proposed consolidation of every forty(40) issued and unissued existing Eminence Shares into one (1) consolidated Eminence Share; (ii) the proposed reduction in the issued share capital of Eminence and (iii) the proposed subdivision of each authorised but unissued consolidated Eminence Share into forty (40) authorised and unissued new Eminence Shares
“Eminence Director(s)”	the director(s) of Eminence
“Eminence Group”	Eminence and its subsidiaries
“Eminence Placing”	the offer by way of private placing of the Placing Shares by or on behalf of the Placing Agent to the Placee(s), on a best effort basis, on the terms and subject to the conditions set out in the Placing Agreement
“Eminence SGM”	the special general meeting of Eminence to be convened and held for the Eminence Shareholders to consider and, if thought fit, approve the Eminence Capital Reorganisation, the Placing Agreement and transactions contemplated thereunder, including the grant of the Eminence Specific Mandate to allot and issue the Placing Shares
“Eminence Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of Eminence
“Eminence Shareholder(s)”	holder(s) of the Eminence Share(s)
“Eminence Specific Mandate”	the specific mandate to be granted by Eminence Shareholders to the Eminence Board at the SGM for the allotment and issue of a maximum of up to 50,000,000 Placing Shares pursuant to the Placing Agreement
“Group”	the Company and its subsidiaries

“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	person(s) who or company(ies) together with its/their ultimate beneficial owner(s) which is/are third party(ies) independent of the Company and its connected person(s) (as defined under the Listing Rules)
“Listing Committee”	the listing sub-committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	the thirtieth (30th) day after the date of the Eminence SGM (which is expected to be Friday, 11 August 2023 in accordance to the expected timetable mentioned in the announcement dated 29 May 2023 issued by Eminence in relation to, among other things, the Eminence Capital Reorganisation and Change in Board Lot Size) or such later date to be agreed between Eminence and the Placing Agent in writing, being the date on which all the conditions precedent of the Placing Agreement have been satisfied or waived
“Placee(s)”	any investor who is an individual, institutional or professional investor selected and/or procured by or on behalf of the Placing Agent as contemplated by the Placing Agreement and is (i) independent of the Company (and the Group), its connected person(s) and their respective associate(s), and (ii) independent of and not parties acting in concert with any person(s), other Placee(s) or the Eminence Shareholder(s) to the effect that any Eminence Placing to such investor shall not trigger any mandatory offer obligation under Rule 26.1 of the Takeovers Code, procured by the Placing Agent to subscribe for the Placing Shares pursuant to the Placing Agent’s obligations under the Placing Agreement
“Placing Agent”	Kingston Securities Limited, the placing agent and a licensed corporation to carry on business in Type 1 (dealing in securities) regulated activity under the SFO

“Placing Agreement”	the conditional placing agreement dated 29 May 2023 entered into between Eminence and the Placing Agent in relation to the Eminence Placing under the Eminence Specific Mandate
“Placing Price”	HK\$0.50 per Placing Share
“Placing Share(s)”	a maximum of up to 50,000,000 new Eminence Shares (assuming the Eminence Capital Reorganisation has become effective) to be placed pursuant to the Placing Agreement
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning as ascribed thereto under the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Buy-backs issued by the Securities and Futures Commission of Hong Kong
“%”	per cent.

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

Hong Kong, 30 May 2023

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