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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)

**1. VERY SUBSTANTIAL ACQUISITION,
VERY SUBSTANTIAL DISPOSAL,**

**2. PROPERTY MANAGEMENT
AGREEMENT,**

3. RESUMPTION OF TRADING

**1. VERY SUBSTANTIAL ACQUISITION,
VERY SUBSTANTIAL DISPOSAL
- CONNECTED TRANSACTIONS,**

**2. PROPERTY MANAGEMENT
AGREEMENT
- EXEMPT CONTINUING
- CONNECTED TRANSACTION,**

**3. RESUMPTION OF
TRADING**

On 19 November, 2018, certain Easyknit Group members and certain Eminence Group members entered into the conditional Swap Agreements and agreed to enter into the Property Management Agreement.

Pursuant to the Swap Agreements amongst other things:

- the Eminence Buyer agreed to acquire, and the Easyknit Seller agreed to sell, all the issued shares in the Easyknit Sale Company (the sole material asset of which is Easy Tower) and procure the assignment of the related Shareholder Loan at an aggregate consideration of HK\$470,000,000.00 (subject to adjustment); and
- the Easyknit Buyer agreed to acquire, and the Eminence Seller agreed to sell, all the

**For identification purposes only*

issued shares in the Eminence Sale Company (the sole material asset of which is the Inverness Road Property) and procure the assignment of the related Shareholder Loan at an aggregate consideration of HK\$1,035,000,000.00 (subject to adjustment).

The aggregate sum (subject to adjustment) payable by the Eminence Group under the Swap Agreements is HK\$470,000,000.00 (subject to adjustment) and the aggregate sum receivable by it under the Swap Agreements is HK\$1,035,000,000.00 (subject to adjustment). The net sum receivable by it is thus HK\$565,000,000.00, subject to adjustments for the Bank Loans outstanding at the Completion Date.

The aggregate sum payable by the Easyknit Group under the Swap Agreements is HK\$1,035,000,000.00 (subject to adjustment) and the aggregate sum receivable by it under the Swap Agreements is HK\$470,000,000.00 (subject to adjustment). The net sum payable by it is thus HK\$565,000,000.00, subject to adjustments for the Bank Loans outstanding at the Completion Date.

Pursuant to the Property Management Agreement the Manager will provide property management services for Easy Tower to the Post-Swap Eminence Group after Completion.

If Completion of the Easyknit Sale Agreement does not take place Completion of the Eminence Sale Agreement will not take place, and vice versa..

Listing Rules implications

Easyknit

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

As one or more of the percentage ratios applicable to the purchase of the Eminence Sale Company exceeds 100%, that purchase is a very substantial acquisition for Easyknit and the Eminence Sale Agreement is subject to the reporting, announcement and 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 Swap Agreements.

Eminence

As one or more of the percentage ratios applicable to the sale of the Eminence Sale Company exceeds 75%, that sale is a very substantial disposal for Eminence and the

Eminence Sale Agreement is subject to the reporting, announcement and Eminence Shareholders' approval requirements under Chapter 14 of the Listing Rules.

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

As a member of the Easyknit Group is a substantial shareholder of Eminence, each of the Easyknit Sale Agreement and the Eminence Sale Agreement is a connected transaction for Eminence and the Property Management Agreement will be a continuing connected transaction for Eminence.

As one or more of the applicable percentage ratios applicable to the sale of the Eminence Sale Company exceeds 25% and the total consideration exceeds HK\$10,000,000.00, the Eminence Sale Agreement is subject to the reporting, announcement, and Independent Eminence Shareholders' approval requirements under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios applicable to the purchase of the Easyknit Sale Company exceeds 25% and the total consideration exceeds HK\$10,000,000.00, the Easyknit Sale Agreement is subject to the reporting, announcement, and Independent Eminence Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Property Management Agreement will be entered into at and subject to Completion. As all applicable percentage ratios for the transactions contemplated under the Property Management Agreement are less than 5% and the annual consideration is less than HK\$3,000,000.00, the Property Management Agreement will be an exempt continuing connected transaction for Eminence and will therefore be exempt from the disclosure and approval requirements under Chapter 14A of the Listing Rules.

The Eminence SGM will be convened for Eminence Shareholders to consider and, if thought fit, approve the Swap Agreements. Only the Independent Eminence Shareholders will be entitled to vote at the Eminence SGM.

Circular

A joint circular containing, among other things: (i) further details of the Swap Agreements; (ii) financial information on the Post-Swap Easyknit Group; (iii) financial information on the Post-Swap Eminence Group; (iv) an independent property valuation report on Easy Tower; (v) an independent property valuation report on the Inverness Road Property; (vi) a letter of recommendation from the Eminence IBC to the Independent Eminence Shareholders; (vii) a letter of recommendation to the Eminence IBC and the Independent Eminence Shareholders from the Independent Eminence Financial Adviser; (viii) a notice

convening the Easyknit SGM; and (ix) a notice convening the Eminence SGM is expected to be despatched to the Easyknit Shareholders and to the Eminence Shareholders on or before 17 January, 2019.

The Swap Agreements are subject to, among other things, the approval of the Easyknit Shareholders and the approval of the Independent Eminence Shareholders.

Shareholders and potential investors in Easyknit should exercise caution when dealing in or investing in the securities of Easyknit. 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 1:00 p.m. on 19 November, 2018 pending the release of this 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 22 November, 2018.

At the request of Eminence, trading in Eminence Shares on the Stock Exchange was halted at 1:00 p.m. on 19 November, 2018 pending the release of this 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 22 November, 2018.

INTRODUCTION

On 19 November, 2018, certain Eminence Group members entered into the conditional Swap Agreements with certain Easyknit Group members under which the Easyknit Seller will sell, and the Eminence Buyer will acquire, Easy Tower by way of transfer of the Easyknit Sale Company and the Easyknit Seller will procure the assignment of the related Shareholder Loan, and the Eminence Seller will sell, and the Easyknit Buyer will acquire, the Inverness Road Property by way of transfer of the Eminence Sale Company and the Eminence Seller will procure the assignment of the related Shareholder Loan. Easyknit indirectly owns approximately 24.93% of the issued share capital of Eminence, and accounts for Eminence in its financial statements using the equity method. Easyknit is a connected person of Eminence.

THE SWAP AGREEMENTS

I. EASYKNIT SALE AGREEMENT

Date : 19 November, 2018

Parties : the Easyknit Seller as seller

the Eminence Buyer as buyer

Assets to be acquired and disposed of

Pursuant to the Easyknit Sale Agreement, amongst other things, the Eminence Buyer conditionally agreed to buy, and the Easyknit Seller agreed to sell, all the issued shares in the Easyknit Sale Company and the Easyknit Seller agreed to procure the assignment of the related Shareholder Loan at the Easyknit Sale Consideration. The sole material asset of the Easyknit Sale Company is Easy Tower.

The net profits (both before and after taxation and extraordinary items) attributable to the Easyknit Sale Company for the two financial years immediately preceding the date of the Easyknit Sale Agreement (prepared in accordance with Hong Kong Financial Reporting Standards) were as follows:

	For the year ended 31 March	
	2017	2018
	HK\$	HK\$
Net profit (before taxation)	21,580,286	43,253,261
Net profit (after taxation)	20,145,200	42,953,957

The original acquisition cost of the Easyknit Sale Company to the Easyknit Group was approximately HK\$97.9 million.

Conditions precedent

Completion of the Easyknit Sale Agreement is conditional upon the fulfilment of the following conditions:

1. the Eminence Buyer having completed its due diligence review on the business, financial, legal and other aspects of the Easyknit Sale Company and Easy Tower and being reasonably satisfied with the results thereof;
2. Eminence having obtained the requisite approval from the Eminence Shareholders in relation to (i) the purchase of the Easyknit Sale Company and assignment of the related Shareholder Loan and (ii) the entering into of the Property Management Agreement by the Easyknit Sale Company, each as required under the Listing Rules; and
3. Easyknit having obtained the requisite approval from the Easyknit shareholders in relation to the sale of the Easyknit Sale Company and assignment of the related Shareholder Loan as required under the Listing Rules.

Conditions 2 and 3 above cannot be waived. In the event condition 1 above is not fulfilled (or waived by the Eminence Buyer) on or before the Long Stop Date, the Eminence Buyer may

elect to terminate the Easyknit Sale Agreement, in which case, save for the return of the deposit (which shall be returned without any interest or cost), all rights, obligations and liabilities of the parties under the Easyknit Sale Agreement shall terminate and neither of the parties shall have any claim against the other in respect of the Easyknit Sale Agreement but without prejudice to the accrued rights and obligations of the parties before that termination.

Completion of the Easyknit Sale Agreement shall take place simultaneously with the Completion of the Eminence Sale Agreement. If Completion of the Swap Agreements does not take place simultaneously on the Completion Date, the Completion Date of the Easyknit Sale Agreement may be postponed to a date to be agreed between the Easyknit Seller and the Eminence Buyer provided that such date shall not be a date beyond the Long Stop Date. If Completion of the Easyknit Sale Agreement does not take place Completion of the Eminence Sale Agreement will not take place, and vice versa.

Valuation

The value of Easy Tower under the Easyknit Sale Company in the books of Easyknit as at 31 March, 2018 the date of its latest audited published accounts, was HK\$447,000,000.00. Easy Tower was valued at HK\$460,000,000.00 at 14 November, 2018 by Colliers International (Hong Kong) Limited, an Independent Third Party and a property valuer. That valuation was on the basis of the “income approach”, an approach that provides an indication of value by converting future cash flows to a single current capital value.

Easyknit Sale Consideration

The Easyknit Sale Consideration for the sale and purchase of the Easyknit Sale Company and the related Shareholder Loan is HK\$470,000,000.00 (of which at the date of this announcement HK\$468,274,103.94 is attributable to the shares being purchased in the Easyknit Sale Company and HK\$1,725,896.06 is attributable to the related Shareholder Loan If the amount of the Shareholder Loan outstanding at Completion is different the Easyknit Sale Consideration attributable to the shares being purchased and that attributable to the Shareholder Loan will change accordingly but the Easyknit Sale Consideration will not change), subject to adjustment by way of deduction of a sum equal to the amount of the Bank Loan outstanding as at the Completion Date on a dollar for dollar basis. The Easyknit Sale Consideration was determined after arm’s length negotiations between Eminence and Easyknit, taking into account their respective perceptions of the property market and valuations of Easy Tower.

HK\$23,500,000.00 of the Easyknit Sale Consideration was paid by way of deposit by the Eminence Buyer on the signing of the Easyknit Sale Agreement and the balance of the Easyknit Sale Consideration is to be paid by the Eminence Buyer to the Easyknit Seller by cheque (or such other method as may be agreed) on Completion.

The deposit shall be returned to the Eminence Buyer (without any interest or cost) upon termination of the Easyknit Sale Agreement, where (i) the conditions are not satisfied or waived

on or before the Long Stop Date and the Eminence Buyer has elected to terminate the Easyknit Sale Agreement; or (ii) the Easyknit Seller has failed or is unable to perform its Completion obligations and the Eminence Buyer is willing and able to perform its Completion obligations; or (iii) the Eminence Sale Agreement does not complete. The deposit shall be retained by the Easyknit Seller upon termination of the Easyknit Sale Agreement, where the Eminence Buyer has failed or is unable to perform its Completion obligations and the Easyknit Seller is willing and able to perform its Completion obligations.

On Completion the Easyknit Sale Company will cease to be a subsidiary of Easyknit and will become a subsidiary of Eminence.

A gain of approximately HK\$9,200,000.00 is expected to accrue to Easyknit on Completion of the Easyknit Sale Agreement, based on the excess of the Easyknit Sale Consideration over the net assets as at 31 October, 2018 of the Easyknit Sale Company adjusted to take into account its indebtedness to a bank and its Shareholder Loan.

The aggregate sum payable by the Easyknit Group under the Eminence Sale Agreement will be set off against the aggregate sum receivable by it under the Easyknit Sale Agreement and the Easyknit Group is not expected to receive any net sale proceeds.

Mortgage

Easy Tower is subject to a mortgage in favour of OCBC Wing Hang Bank Limited, an Independent Third Party, to secure the Bank Loan. The mortgage and the Bank Loan will remain in place immediately following Completion.

Miscellaneous

Under the Easyknit Sale Agreement, the Easyknit Seller has agreed to give certain indemnities, including in respect of tax arising from the activities of the Easyknit Sale Company prior to the completion of the Easyknit Sale Agreement which is not disclosed in the audited accounts of the Easyknit Sale Company.

Stamp duty in respect of the transactions contemplated under the Easyknit Sale Agreement shall be borne by the Eminence Buyer.

II. EMINENCE SALE AGREEMENT

Date : 19 November, 2018

Parties : the Easyknit Buyer as buyer
the Eminence Seller as seller

Assets to be acquired and disposed of

Pursuant to the Eminence Sale Agreement, amongst other things, the Easyknit Buyer conditionally agreed to buy, and the Eminence Seller agreed to sell, all the issued shares in the Eminence Sale Company and the Eminence Seller agreed to procure the assignment of the related Shareholder Loan at the Eminence Sale Consideration. The sole material asset of the Eminence Sale Company is the Inverness Road Property.

The net loss (both before and after taxation and extraordinary items) attributable to the Eminence Sale Company for the two financial years immediately preceding the date of the Eminence Sale Agreement (prepared in accordance with Hong Kong Financial Reporting Standards) were as follows:

	For the year ended 31 March	
	2017	2018
	HK\$	HK\$
Net loss (before taxation)	3,144,564	1,298,340
Net loss (after taxation)	3,455,284	1,298,339

Conditions precedent

Completion of the Eminence Sale Agreement is conditional upon the fulfilment of the following conditions:

1. the Easyknit Buyer having completed its due diligence review on the business, financial, legal and other aspects of the Eminence Sale Company and the Inverness Road Property and being reasonably satisfied with the results thereof;
2. Eminence having obtained the requisite approval from the Eminence Shareholders in relation to the sale of the Eminence Sale Company and assignment of the related Shareholder Loan as required under the Listing Rules; and
3. Easyknit having obtained the requisite approval from the Easyknit Shareholders in relation to the purchase of the Eminence Sale Company and assignment of the related Shareholder Loan as required under the Listing Rules.

Conditions 2 and 3 above cannot be waived. In the event that condition 1 above is not fulfilled (or waived by the Easyknit Buyer) at or before the Long Stop Date, the Easyknit Buyer may elect to terminate the Eminence Sale Agreement, in which case, save for the return of the deposit (which shall be returned without any interest or cost) all rights, obligations and liabilities of the parties under the Eminence Sale Agreement shall terminate and neither of the parties shall have any claim against the other in respect of the Eminence Sale Agreement but without prejudice to the accrued rights and obligations of the parties before that termination.

Completion of the Eminence Sale Agreement shall take place simultaneously with Completion of the Easyknit Sale Agreement. If Completion of the Swap Agreements does not take place simultaneously on the Completion Date, the Completion Date of the Eminence Sale Agreement may be postponed to a date to be agreed between the Eminence Seller and the Easyknit Buyer provided that such date shall not be a date beyond the Long Stop Date. If Completion of the Easyknit Sale Agreement does not take place Completion of the Eminence Sale Agreement will not take place, and vice versa.

Valuation

The value of the Inverness Road Property under the Eminence Sale Company in the books of Eminence as at 31 March, 2018, the date of its latest audited published accounts, was approximately HK\$713,800,000.00. The Inverness Road Property was valued at HK\$1,170,000,000.00 at 14 November, 2018 by Vigers Appraisal and Consulting Limited a property valuer and an Independent Third Party. That valuation was on the basis of the “market approach” which provides an indication of value by comparing the asset with identical comparable assets for which price information is available. Comparable properties with similar character, location and so on are analysed and weighed against all respective advantages and disadvantages of the relevant property in order to arrive at the fair comparison of value.

Eminence Sale Consideration

The Eminence Sale Consideration for the sale and purchase of the Eminence Sale Company and related Shareholder Loan is HK\$1,035,000,000.00 (of which at the date of this announcement HK\$590,781,571.05 is attributable to the shares being purchased in the Eminence Sale Company and HK\$444,218,428.95 is attributable to the related Shareholder Loan. If the amount of the Shareholder Loan outstanding at Completion is different the Eminence Sale Consideration attributable to the shares being purchased and that attributable to the Shareholder Loan will change accordingly but the Eminence Sale Consideration will not change), subject to adjustment by way of deduction of a sum equal to the amount of the Bank Loan outstanding as at the Completion Date on a dollar for dollar basis. The Eminence Sale Consideration was determined after arm’s length negotiations between Eminence and Easyknit taking into account their respective perceptions of the property market and valuations of the Inverness Road Property.

HK\$51,750,000.00 of the Eminence Sale Consideration was paid by way of deposit by the Easyknit Buyer on the signing of the Eminence Sale Agreement and the balance of the Eminence Sale Consideration is to be paid by the Easyknit Buyer to the Eminence Seller by cheque (or such other method as may be agreed) on Completion.

The deposit shall be returned to the Easyknit Buyer (without any interest or cost) upon termination of the Eminence Sale Agreement, where (i) the conditions are not satisfied or waived on or before the Long Stop Date and the Easyknit Buyer has elected to terminate the Eminence Sale Agreement; or (ii) the Eminence Seller has failed or is unable to perform its Completion obligations and the Easyknit Buyer is willing and able to perform its Completion

obligations; or (iii) the Eminence Sale Agreement does not complete. The deposit shall be retained by the Eminence Seller upon termination of the Easyknit Sale Agreement, where the Easyknit Buyer has failed or is unable to perform its Completion obligations and the Eminence Seller is willing and able to perform its Completion obligations.

On Completion the Eminence Sale Company will cease to be a subsidiary of Eminence and will become a subsidiary of Easyknit.

A gain of approximately HK\$20,800,000.00 is expected to accrue to Eminence on Completion of the Eminence Sale Agreement based on the excess of the Eminence Sale Consideration over the net asset value as at 31 October, 2018 of the Eminence Sale Company adjusted to take into account its indebtedness to a bank and its Shareholder Loan.

The aggregate sum payable by the Eminence Group under the Easyknit Sale Agreement will be set off against the aggregate sum receivable by it under the Eminence Sale Agreement, and the net sale proceeds expected to be received by the Eminence Group are intended to be applied in or towards its general working capital and/or the repayment of bank facilities.

Mortgage

The Inverness Road Property is subject to a mortgage in favour of Hang Seng Bank Limited, an Independent Third Party, to secure the Bank Loan. That mortgage will remain in place after Completion and the Bank Loan will remain in place immediately following Completion.

Miscellaneous

Under the Eminence Sale Agreement, the Eminence Seller has agreed to give certain indemnities, including in respect of tax arising from the activities of the Eminence Sale Company prior to the completion of the Eminence Sale Agreement which is not disclosed in the audited accounts of the Eminence Sale Company.

III. PROPERTY MANAGEMENT AGREEMENT

- Date : To be executed at and subject to Completion of the Easyknit Sale Agreement.
- Parties : (a) the Easyknit Sale Company; and
(b) the Manager
- Term : Pursuant to the Property Management Agreement, the Easyknit Sale Company will appoint the Manager to manage Easy Tower for an initial period of three years from Completion (save that either party may terminate the Property Management Agreement at any time by giving not less than three months' notice to the other party).

Services : The management services to be provided include maintenance, repairing, renovation and security for Easy Tower.

Management fees : The management fees payable to the Manager under the Property Management Agreement by the Easyknit Sale Company will be payable monthly at the rate of 10% of the monthly expenditure incurred in the management of Easy Tower (excluding the management fee and any capital expenditure or expenditure drawn out of the capital funds, if any). The monthly management fees were determined with reference to market prices for similar services of other service providers (which are Independent Third Parties) subject to a maximum annual cap of HK\$420,000. The annual cap was determined with reference to (i) historical fees actually paid by the Easyknit Sale Company to the Manager, which were HK\$186,000 for the 12 months ended 31 October, 2018 and (ii) increases in the management fee expected due to rises in labour and maintenance costs. As all applicable percentage ratios for the transactions contemplated under the Property Management Agreement are less than 5% and the annual consideration is less than HK\$3,000,000, the Property Management Agreement will be an exempt continuing connected transaction for Eminence under Chapter 14A of the Listing Rules.

REASONS FOR AND BENEFITS OF THE SWAP AGREEMENTS AND THE PROPERTY MANAGEMENT AGREEMENT

Easyknit

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

The Easyknit Group owns several investment properties (including Easy Tower) held for commercial and industrial purposes, and holds residential properties held for development for sale. Investment property 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. Easy Tower is a mature investment being a comparatively old building with increasingly high maintenance costs that reduce its net yield, and is ripe for redevelopment.

Easyknit was approached by Eminence to sell Easy Tower and after negotiation a price, in excess of its appraised value, that the Easyknit Directors consider attractive was agreed. Eminence already owns a site known as Fung Wah Factorial Building at Nos. 646, 648 & 648A, Castle Peak Road, Kowloon, Hong Kong which is adjacent to the site on which Easy Tower stands and Easyknit understands that Eminence hopes to redevelop that site together with Easy Tower.

The Easyknit Directors are of the view that it is better for Easyknit to sell the asset rather than itself redevelop Easy Tower and that the Inverness Road Property, which is an apartment block under construction, fits into its portfolio of residential assets held for development for sale, an activity in which Easyknit has some experience. The swap will give Easyknit potential to realise development profits on the Inverness Road Property and the Property Management Agreement will be a source of recurrent income to the Easyknit Group. The swap will also adjust the balance between its assets in the commercial and industrial sector on the one hand and the residential sector on the other.

There are no current plans to sell any other assets held for commercial and industrial purposes although if an attractive opportunity arises Easyknit may dispose of further assets.

The Easyknit Directors are of the view that the Swap Agreements and the Property Management Agreement are in the interest of the Easyknit Group and are on normal commercial terms, fair and reasonable and in the interests of the Easyknit Shareholders as a whole.

Eminence

The Eminence Group's principal businesses are in property investment (comprising the ownership and rental of investment properties), property development, investment in securities and loan financing. The Eminence Group currently holds various commercial, industrial and residential properties in Hong Kong.

The Manager currently provides property management services for Easy Tower to the Easyknit Group, of which it is a member. Pursuant to the Property Management Agreement the Manager will, amongst other things, provide property management services for Easy Tower to the Eminence Group after Completion. In this way the management of Easy Tower will continue to be in the hands of a manager that is familiar with it and well experienced in its management. : The Property Management Agreement will facilitate the smooth transition, management and maintenance of Easy Tower and its tenants after Eminence acquires it and Eminence will have the flexibility and right to terminate the Property Management Agreement at any time by giving three months' notice.

The Eminence Directors (excluding the members of the Eminence IBC who will form their view after receiving advice from the Independent Eminence Financial Adviser) are of the view that the disposal of the Inverness Road Property and acquisition of Easy Tower will better focus the Eminence Group's real estate activities on the industrial and non-residential sector.

Eminence already owns a site known as Fung Wah Factorial Building at Nos. 646, 648 & 648A, Castle Peak Road, Kowloon, Hong Kong which is adjacent to the site on which Easy Tower stands and the Eminence Directors consider that by acquiring Easy Tower the development potential of both sites will be significantly enhanced and its development business will benefit accordingly. Given that the Eminence Group's real estate activities now focus on the industrial and non-residential sector the disposal of the Inverness Road Property, which is in the

residential sector and no longer part of that focus, is a both a way of financing part of the cost of acquisition of Easy Tower and of sharpening its focus on the industrial and non-residential sector.

The Property Management Agreement will enable transfer of ownership of Easy Tower to the Eminence Group from the Easyknit Group to proceed without disruption to the management of Easy Tower. The Eminence Directors (excluding the members of the Eminence IBC who will form their view after receiving advice from the Independent Eminence Financial Adviser) are of the view that the Swap Agreements and the Property Management Agreement are in the interests of the Eminence Group and are on normal commercial terms, fair and reasonable and in the interests of the Eminence Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

Easyknit

Chapter 14

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

As one or more of the percentage ratios applicable to the purchase of the Eminence Sale Company exceeds 100%, that purchase is a very substantial acquisition for Easyknit and the Eminence Sale Agreement is subject to the reporting, announcement and 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 Swap Agreements.

Chapter 14A

None of the transactions contemplated under the Easyknit Sale Agreement, the Eminence Sale Agreement and the Property Management Agreement is a connected transaction for Easyknit.

Eminence

Chapter 14

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

As one or more of the percentage ratios applicable to the purchase of the Easyknit Sale Company exceeds 100%, that purchase is a very substantial acquisition for Eminence and the

Easyknit Sale Agreement is subject to the reporting, announcement and Eminence Shareholders' approval requirements under Chapter 14 of the Listing Rules.

Chapter 14A

As a member of the Easyknit Group is a substantial shareholder of Eminence:-

- each of the Easyknit Sale Agreement and the Eminence Sale Agreement is a connected transaction for Eminence; and
- the Property Management Agreement will be a continuing connected transaction for Eminence.

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

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

The Property Management Agreement will be entered into at and subject to Completion. As all applicable percentage ratios for the transactions contemplated under the Property Management Agreement are less than 5% and the annual consideration is less than HK\$3,000,000, the Property Management Agreement will be an exempt continuing connected transaction for Eminence and will therefore be exempt from the disclosure and approval requirements under Chapter 14A of the Listing Rules.

The Eminence SGM will be convened for Eminence Shareholders to consider and, if thought fit, approve the Swap Agreements. Only the Independent Eminence Shareholders will be entitled to vote on the resolution to approve the Swap Agreements at the Eminence SGM.

WARNING

The Swap Agreements are subject to, among other things, the approval of the Easyknit Shareholders and the approval of the Independent Eminence Shareholders.

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

A joint circular containing, among other things, (i) further details of the Swap Agreements; (ii)

financial information on the Post-Swap Easyknit Group; (iii) financial information on the Post-Swap Eminence Group; (iv) an independent property valuation report on Easy Tower; (v) an independent property valuation report on the Inverness Road Property; (vi) a letter of recommendation from the Eminence IBC to the Independent Eminence Shareholders; (vii) a letter of recommendation to the Eminence IBC and the Independent Eminence Shareholders from the Independent Eminence Financial Adviser; (viii) a notice convening the Easyknit SGM; and (ix) a notice convening the Eminence SGM, is expected to be despatched to the Easyknit Shareholders and the Eminence Shareholders on or before 17 January, 2019. That date is more than 15 business days after the publication of this announcement and the delay in despatch is expected because of the time required to collate relevant information about the Easyknit Group and the Eminence Group to be included in the circular, taking into account the forthcoming holiday season.

TRADING HALTS AND RESUMPTION OF TRADING

At the request of Easyknit, trading in Easyknit Shares on the Stock Exchange was halted at 1:00 p.m. on 19 November, 2018 pending the release of this 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 22 November, 2018.

At the request of Eminence, trading in Eminence Shares on the Stock Exchange was halted at 1:00 p.m. on 19 November, 2018 pending the release of this 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 22 November, 2018.

DEFINITIONS

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

"associate"	the meaning ascribed thereto in the Listing Rules
"Bank Loan"	(i) in respect of the Easyknit Sale Company, the outstanding principal together with interest accrued owing to OCBC Wing Hang Bank Limited by the Easyknit Sale Company being HK\$154,624,664.56 in aggregate at 31 October 2018 ; and (ii) in respect of the Eminence Sale Company the outstanding principal together with interest accrued owing to Hang Seng Bank Limited by the Eminence Sale Company being HK\$ 448,762,805

in aggregate at 31 October 2018

"BVI"	the British Virgin Islands
"Completion"	completion of the sale and purchase of the Easyknit Sale Company and the Eminence Sale Company and the Shareholder Loans under the Swap Agreements
"Completion Date"	the date of Completion which will be ten business days after the fulfilment or waiver of the last of the conditions set out in the Swap Agreement to be fulfilled or waived, or such other date as the parties to the respective Swap Agreements may agree in writing
"connected person"	the meaning ascribed thereto in the Listing Rules
"Easy Tower "	the property known as Easy Tower being ALL THAT piece or parcel of ground situate at Kowloon and registered in the Land Registry as NEW KOWLOON INLAND LOT NO. 6238 together with the messuages erections and buildings thereon now known as EASY TOWER (永義廣場), No.609 Tai Nan West Street, Cheung Sha Wan, Kowloon, Hong Kong
"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 Buyer"	Gold Anchor Developments Limited, a company incorporated under the laws of the BVI with limited liability and a wholly-owned subsidiary of Easyknit
"Easyknit Directors"	the directors of Easyknit
"Easyknit Group"	Easyknit and its subsidiaries
"Easyknit Sale Agreement"	a conditional sale and purchase agreement dated 19 November, 2018 between the Easyknit Seller and the Eminence Buyer for, inter alia, the sale by the Easyknit Seller and purchase by the Eminence Buyer of the Easyknit Sale Company

"Easyknit Sale Company"	Wellmake Investments Limited (緯豐投資有限公司), a company incorporated under the laws of Hong Kong with limited liability and a wholly-owned subsidiary of Easyknit as at the date of the Swap Agreements
"Easyknit Sale Consideration"	HK\$470,000,000.00
"Easyknit Seller"	Easyknit Properties Holdings Limited, a company incorporated under the laws of the BVI with limited liability and a wholly-owned subsidiary of Easyknit
"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 Swap Agreements
"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 Buyer"	Sonic Hover Limited, a company incorporated under the laws of the BVI with limited liability and a wholly-owned subsidiary of Eminence
"Eminence Directors"	the directors of Eminence
"Eminence Group"	Eminence and its subsidiaries
"Eminence IBC"	an independent committee of the board of Eminence Directors comprising all its independent non-executive Eminence Directors, established for the purposes of advising the Independent Eminence Shareholders on the Swap Agreements and the transactions contemplated thereunder
"Eminence Sale Agreement"	a conditional sale and purchase agreement dated 19 November, 2018 between the Eminence Seller and the

	Easyknit Buyer for, inter alia, the sale by the Eminence Seller and purchase by the Easyknit Buyer of the Eminence Sale Company
"Eminence Sale Company"	Total Expect Limited, a company incorporated under the laws of the BVI with limited liability (BVI company number 1713603) and Hong Kong and a wholly-owned subsidiary of Eminence at the date of the Swap Agreements
"Eminence Sale Consideration"	HK\$1,035,000,000.00
"Eminence Seller"	Kingbest Capital Holdings Limited (佳景資本控股有限公司), a company incorporated under the laws of the BVI with limited liability and a wholly-owned subsidiary of Eminence
"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 Swap Agreements
"Eminence Shareholders"	holders of Eminence Shares
"Eminence Shares"	ordinary shares of HK\$0.01 each in the share capital of Eminence
"HK\$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"Independent Eminence Financial Adviser"	the Independent financial adviser to be appointed by Eminence to advise the Eminence IBC and the Independent Eminence Shareholders in relation to the Swap Agreements
"Independent Eminence Shareholders"	Eminence Shareholders, other than Easyknit and its associates
"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

"Inverness Road Property"	ALL THOSE pieces or parcels of ground registered in the Land Registry as The Remaining Portion of Sub-Section 1 of Section B of New Kowloon Inland Lot No.1587, Section C of Sub-Section 1 of Section B of New Kowloon Inland Lot No.1587, Section B of Sub-Section 1 of Section B of New Kowloon Inland Lot No.1587 and Section A of Sub-Section 1 of Section B of New Kowloon Inland Lot No.1587 together with the messuages erections and buildings erected or to be erected thereon
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Long Stop Date"	30 June, 2019 or such other date as the relevant parties may agree
"Manager"	UrbanMode (HK) Limited a company incorporated under the laws of the BVI with limited liability and a wholly-owned subsidiary of Easyknit
"Post-Swap Easyknit Group"	the Easyknit Group immediately after Completion
"Post-Swap Eminence Group"	the Eminence Group immediately after Completion
"Property Management Agreement"	an agreement to be entered into at (and subject to) Completion between the Manager and the Easyknit Sale Company for the management by the Manager of Easy Tower after Completion
"Shareholder Loan"	<ul style="list-style-type: none"> (i) in respect of the Easyknit Sale Company, the moneys owed by the Easyknit Sale Company to Easyknit being HK\$1,725,896.06 in aggregate at 31 October 2018; and (ii) in respect of the Eminence Sale Company the moneys owed by the Eminence Sale Company to Eminence being HK\$444,218,428.95 in aggregate at 31 October 2018
"Stock Exchange"	The Stock Exchange of Hong Kong Limited

"Swap Agreements"

the Easyknit Sale Agreement and the Eminence Sale Agreement or such of them as the context may indicate

By Order of the Board
Easyknit International Holdings Limited
Tse Wing Chiu Ricky
President and Chief Executive Officer

By Order of the Board
Eminence Enterprise Limited
Kwong Jimmy Cheung Tim
Chairman and Chief Executive Officer

Hong Kong, 21 November, 2018

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

At the date hereof, the Board of Eminence comprises Mr. Kwong Jimmy Cheung Tim and Ms. Lui Yuk Chu as executive directors; Mr. Kan Ka Hon, Mr. Lau Sin Ming, Mr. Foo Tak Ching and Mr. Wu Koon Yin Welly as independent non-executive directors.