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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)

**PROPOSED ISSUE AND SUBSCRIPTION OF  
CONVERTIBLE NOTE**

**DISCLOSEABLE TRANSACTION  
FOR  
EASYKNIT INTERNATIONAL  
HOLDINGS LIMITED**

**CONNECTED TRANSACTION  
FOR  
EMINENCE ENTERPRISE LIMITED**

After 4.00 p.m. on 17 June 2019, Eminence and the Subscriber entered into the Subscription Agreement, pursuant to which Eminence conditionally agreed to issue, and the Subscriber conditionally agreed to subscribe for, the 3% 2019CB in the principal amount of HK\$70,000,000.

Assuming that the conversion rights in relation to the total HK\$70,000,000 principal amount of the 2019CB are exercised in full at the initial Conversion Price of HK\$0.055 per Conversion Share, a total of 1,272,727,272 Conversion Shares will be allotted and issued, representing approximately 40.98% of the issued share capital of Eminence as at the date of this announcement and approximately 29.07% of the issued share capital of Eminence as enlarged by the allotment and issue of such Conversion Shares, assuming that other than the issue of Conversion Shares, there will be no change to the issued share capital of Eminence from the date of this announcement up to and including the date of issue of such Conversion Shares.

The gross proceeds from the issue of the 2019CB will be HK\$70,000,000 and the net proceeds are estimated to be approximately HK\$69,500,000.

## **LISTING RULES IMPLICATIONS**

### *Eminence*

The Subscription Agreement constitutes a connected transaction of Eminence under the Listing Rules and is therefore subject to the reporting, announcement and independent shareholders' approval requirements under the Listing Rules.

Eminence has established the Eminence IBC comprising three independent non-executive Directors, being Mr. Kan Ka Hon, Mr. Lau Sin Ming and Mr. Wu Koon Yin Welly to advise the Eminence Independent Shareholders on the Subscription Agreement. Mr. Foo Tak Ching, the fourth independent non-executive Director of Eminence, is unwell and is not a member of the Eminence IBC.

The Eminence IFA will be appointed by Eminence to advise the Eminence IBC and the Eminence Independent Shareholders in relation to the Subscription Agreement.

The Eminence SGM will be convened for Eminence Independent Shareholders to consider and, if thought fit, approve the Subscription Agreement. Only Eminence Independent Shareholders will be entitled to vote at the Eminence SGM. The Subscriber and its associates (including but not limited to Easyknit and Landmark Profits) will abstain from voting at the Eminence SGM on the resolution approving the Subscription Agreement.

### *Easyknit*

As one or more of the percentage ratios applicable to the Subscription Agreement exceeds 5% but all are less than 25%, the Subscription Agreement is a discloseable transaction for Easyknit and the Subscription Agreement is subject to reporting and announcement requirements under Chapter 14 of the Listing Rules.

### *Circular*

A circular of Eminence containing, among other things, (i) further information about the Subscription Agreement; (ii) the recommendations of the Eminence IBC; (iii) a letter of advice from the Eminence IFA to the Eminence IBC and the Eminence Independent Shareholders; and (iv) a notice convening the Eminence SGM, will be despatched to the Eminence Shareholders on or before 9 July 2019.

After 4.00 p.m. on 17 June 2019, Eminence and the Subscriber entered into the Subscription Agreement, terms of which are summarised below.

## **A. THE SUBSCRIPTION AGREEMENT**

### **1. Parties and date**

Date: 17 June 2019

Parties: Eminence (as the issuer); and  
Goodco (as the subscriber)

## **2. Issue of the 2019CB**

Pursuant to the Subscription Agreement, Eminence has conditionally agreed to issue, and the Subscriber has conditionally agreed to subscribe at face value for, the 2019CB in the principal amount of HK\$70,000,000.

## **3. Conditions Precedent**

Completion of the Subscription Agreement is conditional upon the fulfillment of the following conditions (neither of which can be waived) amongst others:

- (a) the Listing Committee of the Stock Exchange having granted (either unconditionally or subject only to conditions to which Eminence and the Subscriber have no reasonable objection) listing of and permission to deal in the Conversion Shares;
- (b) the Eminence Independent Shareholders having passed an ordinary resolution at the Eminence SGM to approve the Subscription Agreement and the issue of the 2019CB and the allotment and issue of the Conversion Shares.

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

## **4. Conversion Price and Exercise Price**

The initial Conversion Price of HK\$0.055 per Conversion Share represents:

- (i) no discount to the closing price of HK\$0.055 per Eminence Share as quoted on the Stock Exchange on 17 June 2019, being the last trading day before the signing of the Subscription Agreement;
- (ii) no discount to the average of the closing prices of Eminence Shares as quoted on the Stock Exchange for the five consecutive trading days up to and including 17 June 2019, being approximately HK\$0.055 per EminenceShare;
- (iii) a discount of approximately 5.45% to the average of the closing prices of Eminence Shares as quoted on the Stock Exchange for the 30 consecutive trading days up to and including 17 June 2019, being approximately HK\$0.0580 per Eminence Share; and
- (iv) a discount of approximately 30.36% to the average of the closing prices of Eminence Shares as quoted on the Stock Exchange for last six months up to and including 17 June 2019, being approximately HK\$0.0717 per Eminence Share.

## 5. Completion

Subject to all the Conditions Precedent having been fulfilled (or, where applicable, waived), completion of the Subscription Agreement shall take place on the third Business Day after satisfaction of the Conditions Precedent, or such other date as may be agreed by Eminence and the Subscriber in writing.

## 6. Principal Terms of the 2019CB

The principal terms of the 2019CB are summarised below:

Issue price and principal amount: HK\$70,000,000

Maturity Date: The fifth anniversary of the issue date, when the entire then-outstanding principal amount, together with all outstanding accrued interest, of the 2019CB will become due and payable by Eminence to the holder of the 2019CB.

Redemption price at maturity: 100% of the principal amount of the 2019CB outstanding on the maturity date, together with all unpaid interest accrued on it.

Redemption: Any amount of the 2019CB which remains outstanding on the maturity date shall be redeemed in full.

Any amount of the 2019CB which is redeemed will be cancelled forthwith.

Interest: The 2019CB will bear interest on the outstanding principal amount thereof from the Issue Date at a rate of 3% per annum. Interest will be payable semi-yearly in arrears.

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

Conversion Rights: The holder of the 2019CB will have the right to convert the whole or part of the outstanding principal amount of the 2019CB (in amounts of not less than an integral multiple of HK\$1,000,000 on each conversion, unless the outstanding principal amount of the 2019CB is less than HK\$1,000,000 in which case the whole (but not part only) of that amount shall be converted) into Conversion Shares at any time during the conversion period (as detailed below) at the Conversion Price of HK\$0.055 (subject to adjustments).

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

**Conversion Period:** The period from the date falling on the issue date up to and including the date falling on the fifth last Business Day prior to the maturity date.

**Conversion Price:** The 2019CB will be convertible at the conversion price of HK\$0.055. Upon issue of the 2019CB, the initial conversion price will be HK\$0.055 per Conversion Share (subject to adjustments).

The conversion price will be adjusted in circumstances that include:

- an alteration of the nominal value of Eminence Shares by reason of any consolidation or subdivision;
- an issue (other than in lieu of a cash dividend) by Eminence Shares credited as fully paid by way of capitalisation of profits or reserves;
- a capital distribution (as will be defined in the 2019CB) by Eminence, whether on a reduction of capital or otherwise, to holders of Eminence Shares in their capacity as such;
- an offer or grant being made by Eminence to holders of Eminence Shares by way of rights or of options or warrants to subscribe for new Eminence Shares at a price which is less than 95 per cent. of the market price;
- an issue by Eminence wholly for cash of securities convertible into or exchangeable for or carrying rights of subscription for new Eminence Shares, if in any case the total effective consideration per Share (as defined in the 2019CB) initially receivable for such securities is less than 95 per cent. of the market price, or the terms of any such rights of conversion or exchange or subscription attached to any such securities being modified so that the said total effective consideration per Share initially receivable for such securities is less than 95 per cent. of the market price;
- an issue by Eminence wholly for cash or for reduction of liabilities of Eminence Shares at a price per Share less than 95 per cent. of the market price;
- an issue being made by Eminence of Shares for the acquisition of assets at a total effective consideration per Share less than 95 per cent. of the market price; and

- an issue wholly made by Eminence of securities convertible into or exchangeable for or carrying rights of subscription for new Eminence Shares for the acquisition of asset, if in any case the total effective consideration per Share initially receivable for such securities is less than 95 per cent. of the market price.

If any adjustment event other than a sub-division occurs which leads the number of Conversion Shares issuable under the 2019CB to exceed 1,272,727,272, then the Subscriber shall be entitled to convert the 2019CB into up to 1,272,727,272 Conversion Shares based on the adjusted conversion price and any outstanding remaining principal amount of the 2019CB shall be redeemed by Eminence on the maturity date in accordance with its terms.

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

Transferability: No assignment or transfer (whether in whole or in part) of the 2019CB except with consent of Eminence or to (i) the holding company; or (ii) the subsidiaries or affiliated companies of the holder of the 2019CB or the fellow subsidiaries or fellow affiliated companies of the holder of the 2019CB.

Voting: The holder of the 2019CB will not be entitled to attend or vote at any meetings of Eminence by reason only of being the holder of the 2019CB.

Others: Conversion Rights shall not be exercisable if and to the extent that immediately after such exercise and the issue of the related Conversion Shares less than 25% of the issued Eminence Shares would be held by the public as required by Rule 8.08 of the Listing Rules.

Assuming that the conversion rights in relation to the total HK\$70,000,000 principal of the 2019CB are exercised in full at the initial Conversion Price of HK\$0.055 per Conversion Share, a total of 1,272,727,272 Conversion Shares will be allotted and issued, representing approximately 40.98% of the issued share capital of Eminence as at the date of this announcement and approximately 29.07% of the issued share capital of Eminence as enlarged by the allotment and issue of such Conversion Shares and assuming that save for the issue of Conversion Shares, there will be no change to the issued share capital of Eminence from the date of this announcement up to (and including) the date of issue of such Conversion Shares.

Application will be made by Eminence to the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares to be allotted and issued upon exercise of the Conversion Rights. No application will be made for the listing of the 2019CB or the Conversion Shares on the Stock Exchange or any other stock exchange.

## B. SHAREHOLDING STRUCTURE

A total of 1,272,727,272 Conversion Shares will be allotted and issued upon full conversion of the 2019CB at the initial Conversion Price. The table below sets out the current shareholding structure of Eminence and the structure as it will be on the assumptions below assuming no other change in the number of Eminence Shares in issue and before any possible adjustment to conversion prices under the Existing CBs.

Shareholder	As at the date of this announcement		On full exercise of 2019CB assuming no exercise of conversion rights under Existing CBs		On full exercise of 2019CB and 2015CB assuming no exercise of conversion rights under 2017CB1 and 2017CB2		On full exercise of 2019CB, 2015CB and 2017CB1 assuming no exercise of conversion rights under 2017CB2		On full exercise of 2019CB assuming full exercise of conversion rights under Existing CBs	
	No. of Eminence Shares	%	No. of Eminence Shares	% (as enlarged)	No. of Eminence Shares	% (as enlarged)	No. of Eminence Shares	% (as enlarged)	No. of Eminence Shares	% (as enlarged)
<b>Goodco and parties acting in concert with it (Note 3)</b>										
Landmark Profits (Note 2)	93,549,498	3.01	93,549,498	2.14	93,549,498	1.65	93,549,498	1.62	93,549,498	1.57
<b>Goodco (Note 1)</b>										
– Eminence Shares	645,781,194	20.79	1,918,508,466	43.82	1,918,508,466	33.82	2,018,508,466	34.97	2,206,508,466	37.02
– underlying Eminence Shares of 2017CB1	100,000,000*	–	100,000,000*	–	100,000,000*	–	–	–	–	–
– underlying Eminence Shares of 2017CB2	188,000,000*	–	188,000,000*	–	188,000,000*	–	188,000,000*	–	–	–
– underlying Eminence Shares of Lui Yuk Chu (Notes 4 & 5)	<u>22,600,000*</u>	=	<u>22,600,000*</u>	=	<u>22,600,000*</u>	=	<u>22,600,000*</u>	=	<u>22,600,000*</u>	=
<b>Sub-total</b>	<b>739,330,692</b>	<b>23.80</b>	<b>2,012,057,964</b>	<b>45.95</b>	<b>2,012,057,964</b>	<b>35.48</b>	<b>2,112,057,964</b>	<b>36.60</b>	<b>2,300,057,964</b>	<b>38.59</b>
<b>Madian (holder of 2015CB)</b>										
– Eminence Shares	140,000,000	4.51	140,000,000	3.20	1,433,333,333	25.27	1,433,333,333	24.83	1,433,333,333	24.05
– underlying Eminence Shares at conversion price of HK\$0.06 per share	1,293,333,333*	–	1,293,333,333*	–	–	–	–	–	–	–
<b>Underlying Eminence Shares of Kwong Jimmy Cheung Tim</b>										
– Beneficial owner (Note 6)	11,300,000*	–	11,300,000*	–	11,300,000*	–	11,300,000*	–	11,300,000*	–
<b>Underlying Eminence Shares of participants</b>										
– Beneficial owner (Note 7)	33,900,000*	–	33,900,000*	–	33,900,000*	–	33,900,000*	–	33,900,000*	–
<b>Public Shareholders</b>	<u>2,226,501,367</u>	<u>71.69</u>	<u>2,226,501,367</u>	<u>50.85</u>	<u>2,226,501,367</u>	<u>39.25</u>	<u>2,226,501,367</u>	<u>38.57</u>	<u>2,226,501,367</u>	<u>37.36</u>
<b>Total</b>	<u>3,105,832,059</u>	<u>100</u>	<u>4,378,559,331</u>	<u>100</u>	<u>5,671,892,664</u>	<u>100</u>	<u>5,771,892,664</u>	<u>100</u>	<u>5,959,892,664</u>	<u>100</u>

\* for illustration only. The figures have not been added into the total %.

Notes:

1. *The entire issued share capital of Goodco is indirectly held by Easyknit.*
2. *The entire issued share capital of Landmark Profits is directly held by Easyknit.*
3. *Goodco and Landmark Profits, are wholly-owned subsidiaries of Easyknit and are acting in concert for the purpose of the Takeovers Code.*
4. *Ms. Lui Yuk Chu is also a director of Goodco and is acting in concert with it for the purposes of the Takeovers Code.*
5. *These underlying Eminence Shares include 11,300,000 share options each, granted by Eminence under the Eminence Share Option Scheme on 14 October 2016 to Mr. Koon Wing Yee (the spouse of Ms. Lui Yuk Chu) and Ms. Lui Yuk Chu respectively. By virtue of SFO, Ms. Lui Yuk Chu is deemed to be interested in the 11,300,000 underlying Eminence Shares held by Mr. Koon Wing Yee.*
6. *These underlying Eminence Shares are share options granted by Eminence under the Eminence Share Option Scheme on 14 October 2016 to Mr. Kwong Jimmy Cheung Tim.*
7. *These underlying Eminence Shares are the balance of share options granted by Eminence under the Eminence Share Option Scheme on 14 October 2016 to the eligible participants.*
8. *These underlying Eminence Shares are the balance of 2015CB as of the date of this announcement.*

### **C. INFORMATION ABOUT EMINENCE, THE SUBSCRIBER AND EASYKNIT**

Eminence is principally engaged through its subsidiaries in property investment, property development, securities investment and money lending business.

The Subscriber is a company incorporated in the British Virgin Islands with limited liability and is a substantial shareholder holding 645,781,194 Eminence Shares, representing approximately 20.79% of the issued share capital of Eminence at the date of this announcement. It is a wholly-owned subsidiary of Easyknit.

Easyknit is principally engaged in the property investment, property development, securities investment and money lending businesses. Through Goodco and other subsidiaries Easyknit indirectly owns approximately 23.80% of the issued share capital of Eminence at the date of this announcement.

### **D. REASONS AND BENEFITS FOR THE ISSUE OF 2019CB AND USE OF PROCEEDS**

#### ***Eminence***

The Eminence Directors consider it prudent to raise capital for Eminence because the property investment, property development, securities investment and loan financing activities of the Eminence Group are capital intensive requiring careful forward planning to ensure that it has sufficient cash on commercially acceptable terms at the right time.

In particular its property investment and property development activities require large capital outlays and can tie up capital for some years, requiring the Eminence Group to plan well ahead for the funding of possible property investment and property development projects. These include the recently-acquired Easy Tower, a building ripe for redevelopment together with the adjacent Eminence Group-owned Fung Wah Factorial Building in Castle Peak Road, Kowloon, Hong Kong. The Eminence Directors consider it prudent to review and where desirable rearrange its funding and



its debt in particular to prepare for future projects and possible market changes in the availability of credit. Specifically, the net proceeds of issue of the 2019CB are at present intended to be applied or towards acquisition of the remaining units of Wing Cheong Factory Building. The Eminence Group owns approximately 86.36% of Wing Cheong Factory Building, a building located at No. 121 King Lam Street, Kowloon, Hong Kong. The site area is approximately 5,483 sq. ft. On 12 September 2018, the Eminence Group filed an application under the Lands (Compulsory Sale for Redevelopment) Ordinance for auctioning all the units in Wing Cheong Factory Building. The Eminence Group plans to re-develop the site if it is successful at the auction.

As at 31 March 2019 (being its latest financial year end), the Eminence Group had audited cash and cash equivalents of approximately HK\$141,582,000.

Shareholdings of the public Shareholders will not be diluted by the 2019CB unless and until Eminence issues Conversion Shares. At the same time Eminence will by issuing the 2019CB improve its cash position to position itself for future projects.

Having considered the above, the Eminence Directors (excluding the independent non-executive Eminence Directors, who will provide their opinion after considering the advice of the Eminence IFA) are of the view that the Subscription Agreement and the transactions contemplated therein are fair and reasonable and in the interests of Eminence and the Shareholders as a whole.

Ms. Lui Yuk Chu (an executive director and an indirect substantial shareholder of Easyknit, which is a substantial shareholder of Eminence, and an executive director of Eminence) abstained from voting on the Eminence Board resolution to approve the Subscription Agreement. No other director of Eminence abstained from voting on the related Eminence Board resolution or is required to abstain from voting at the Eminence SGM.

### ***Easyknit***

Easyknit already owns directly and indirectly 23.80% of the Eminence Shares. Eminence is an associate of the Easyknit Group for accounting purposes. As at 31 March 2019, the date of its latest financial year end, the Easyknit Group had audited cash and cash equivalents of approximately HK\$191,670,000 for which it has no immediate need in its current business plans. By taking up the 2019 CB it will be able to achieve an attractive stable and recurring return for the medium term whilst at the same time acquiring a right to increase its equity holding in Eminence if and when it considers that to be in the interests of Easyknit.

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

## **E. FUND-RAISING ACTIVITIES OF EMINENCE IN THE PAST TWELVE MONTHS**

Eminence has not conducted any fund-raising activities in the twelve months immediately before the date of this announcement.

## **F. PUBLIC FLOAT**

The 2019CB will impose restrictions on conversions to the extent they would lead to Eminence breaching the public float requirement under the Listing Rules.

## **G. TAKEOVERS CODE**

The 2019CB will not impose restrictions on conversions that would lead to an offer being required under Rule 26 of the Takeovers Code.

At the date of this announcement Goodco, which will be the holder of the 2019CB, and persons acting in concert with it hold in aggregate approximately 23.80% of the issued voting shares in Eminence.

Upon full conversion of the 2019CB at the initial Conversion Price, a total of 1,272,727,272 Conversion Shares would be issued, representing 29.07% of the issued share capital of Eminence as enlarged by that issue and assuming no other change in the number of issued Eminence Shares.

In the event that immediately before a conversion the holdings of the holder of the 2019CB together with persons acting in concert with it represent in aggregate 30% or more of the voting rights of Eminence then in issue and as a result of the conversion, a single one of such persons comes to hold 30% or more or, if already holding between 30% and 50%, has acquired more than 2% of the voting rights in Eminence in any 12 month period, it would be obliged to make a general offer to Eminence Shareholders in compliance with Rule 26 of the Takeovers Code.

In the event that immediately before a conversion the holdings of the holder of the 2019CB together with persons acting in concert with it represent in aggregate not less than 30%, but not more than 50%, of the voting rights of Eminence, and as a result of the conversion, any one or more of them acquires additional voting rights and such acquisition has the effect of increasing their collective holding of voting rights of Eminence by more than 2% from the lowest collective percentage holding of such persons in the 12 month period ending on and inclusive of the date of the relevant acquisition it would be obliged to make a general offer to Eminence Shareholders in compliance with Rule 26 of the Takeovers Code.

The table below illustrates the existing shareholdings in Eminence and the effect on the shareholdings in Eminence of Goodco and parties acting in concert with it on various assumptions about exercise of conversion rights under the 2019CB and Existing CBs.

Shareholder	As at the date of this announcement		On full exercise of 2019CB assuming no exercise of conversion rights under Existing CBs		On full exercise of 2019CB and 2015CB assuming no exercise of conversion rights under 2017CB1 and 2017CB2		On full exercise of 2019CB, 2015CB and 2017CB1 assuming no exercise of conversion rights under 2017CB2		On full exercise of 2019CB assuming full exercise of conversion rights under Existing CBs	
	No. of Eminence Shares	%	No. of Eminence Shares	% (of enlarged)	No. of Eminence Shares	% (of enlarged)	No. of Eminence Shares	% (of enlarged)	No. of Eminence Shares	% (of enlarged)
Goodco and parties acting in concert with it (Note 1)										
Landmark Profits	93,549,498	3.01	93,549,498	2.14	93,549,498	1.65	93,549,498	1.62	93,549,498	1.57
Goodco	<u>645,781,194</u>	<u>20.79</u>	<u>1,918,508,466</u>	<u>43.82</u>	<u>1,918,508,466</u>	<u>33.82</u>	<u>2,018,508,466</u>	<u>34.97</u>	<u>2,206,508,466</u>	<u>37.02</u>
<b>Total</b>	<u>739,330,692</u>	<u>23.80</u>	<u>2,012,057,964</u>	<u>45.95</u>	<u>2,012,057,964</u>	<u>35.47</u>	<u>2,112,057,964</u>	<u>36.59</u>	<u>2,300,057,964</u>	<u>38.59</u>

*Notes.*

1. *Parties acting in concert with Goodco for the purposes of the Takeovers Code are Easyknit, Landmark Profits, Ms. Lui Yuk Chu and Mr. Koon Wing Yee, the spouse of Ms. Lui Yuk Chu.*
2. *Ms. Lui Yuk Chu and Mr. Koon Wing Yee are the holders of share options granted by Eminence under the Eminence Share Option Scheme over an aggregate of 22,600,000 Eminence Shares which are not included in the above table.*
3. *The 2015CB belongs to Madian Star Limited, a company incorporated in the British Virgin Islands with limited liability which is not acting in concert with Goodco for the purposes of the Takeovers Code.*

At the date of this announcement there is no intention on the part of Easyknit or any person acting in concert with it to make an offer for Eminence Shares and there is no obligation for any of them do so. Easyknit is mindful of its obligations under the Takeovers Code and will comply with them if and when necessary, particularly when considering whether Goodco should exercise conversion rights under any or all of 2017CB1, 2017CB2 and 2019CB.

## H. LISTING RULES IMPLICATIONS

### *Eminence*

At the date of this announcement, Easyknit, through Goodco and Landmark Profits, owns approximately 23.80% of the issued share capital of Eminence, and hence it is a connected person of Eminence. Accordingly, the Subscription Agreement constitutes a connected transaction of Eminence under the Listing Rules and is therefore subject to the reporting, announcement and independent shareholders' approval requirements under the Listing Rules.

Only Eminence Independent Shareholders will be permitted to vote and the Subscriber, and its associates will abstain from voting, at the Eminence SGM on the resolution approving the Subscription Agreement.

Eminence has established the Eminence IBC comprising three independent non-executive Directors, being Mr. Kan Ka Hon, Mr. Lau Sin Ming and Mr. Wu Koon Yin Welly, to advise the Eminence

Independent Shareholders on the Subscription Agreement. Mr. Foo Tak Ching, the fourth independent non-executive Director of Eminence, is unwell and is not a member of the Eminence IBC.

The Eminence IFA will be appointed by Eminence after obtaining the approval of the Eminence IBC to advise the Eminence IBC and Eminence Independent Shareholders in relation to the Subscription Agreement.

### ***Easyknit***

As one or more of the percentage ratios applicable to the Subscription Agreement exceeds 5% but all are less than 25%, it is a discloseable transaction for Easyknit and the Subscription Agreement is subject to reporting and announcement requirements under Chapter 14 of the Listing Rules.

## **I. POSSIBLE ADJUSTMENT TO CONVERSION PRICES OF THE EXISTING CBs**

The Existing CBs are convertible at the conversion prices set out below and on full conversion are convertible into approximately the numbers of Eminence Shares set out below.

<b>Existing CB</b>	<b>Current conversion price (subject to adjustment)</b>	<b>Outstanding amount</b>	<b>Convertible into number of Eminence Shares (approx.)</b>
2015CB	HK\$0.06	HK\$77,600,000	1,293,333,333
2017CB1	HK\$0.16	HK\$16,000,000	100,000,000
2017CB2	HK\$0.06	HK\$11,280,000	188,000,000

Upon Completion, the conversion prices under the Existing CBs may require adjustment as a result of Completion and adjustment may lead to changes in the numbers of Eminence Shares issuable under the Existing CBs.

Further information about possible changes to the conversion prices under the Existing CBs and their effects will be set out in the circular of Eminence to be despatched to the Eminence Shareholders.

## **J. GENERAL**

A circular of Eminence containing, among other things, (i) further information about the Subscription Agreement; (ii) recommendations of the Eminence IBC; (iii) a letter of advice from the Eminence IFA to the Eminence IBC and the Eminence Independent Shareholders; and (iv) a notice convening the Eminence SGM, will be despatched to the Eminence Shareholders on or before 9 July, 2019.

The Eminence SGM will be held for the Eminence Independent Shareholders to consider and, if thought fit, pass a resolution to approve the Subscription Agreement (together with the transactions contemplated thereunder, including the issue of the 2019CB and the allotment and issue of the Conversion Shares).

## K. DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms have the following meanings:

"2015CB"	the 3% per annum coupon rate convertible note issued by Eminence to Madian Star Limited, an investment holding company incorporated in the British Virgin Islands with limited liability; on 12 June 2015 in the aggregate principal amount of HK\$86,000,000 conferring rights to convert at any time before 12 June 2022 the principal amount into Eminence Shares on the basis of a conversion price that is at present HK\$0.06 per Eminence Share, pursuant to the subscription agreement dated 26 May 2015, as subsequently amended, of which the outstanding amount is HK\$77,600,000;
"2017CB1"	the 3% per annum coupon rate convertible note issued by Eminence to Goodco on 11 May 2017 in the principal amount of HK\$16,000,000 conferring rights to convert at any time before 11 May 2022 the principal amount into Eminence Shares on the basis of a conversion price that is at present HK\$0.16 per Eminence Share, pursuant to a subscription agreement dated 1 March 2017, of which the outstanding amount is HK\$16,000,000;
"2017CB2"	the 3% per annum coupon rate convertible note issued by Eminence to Goodco on 26 September 2017 in the aggregate principal amount of HK\$28,200,000 conferring rights to convert at any time before 26 September 2020 the principal amount into Eminence Shares on the basis of a conversion price that is at present HK0.06 per Eminence Share, pursuant to a subscription agreement dated 7 August 2017, of which the outstanding amount is HK\$11,280,000;
"2019CB"	the 3% per annum coupon rate convertible note proposed to be issued by Eminence to Goodco in the principal amount of HK\$70,000,000 conferring rights to convert at any time before the fifth anniversary of the issue thereof the principal amount into Eminence Shares on the basis of the Conversion Price, subject to adjustment pursuant to the Subscription Agreement;
"acting in concert"	the meaning ascribed to it in the Takeovers Code;
"associates"	the meaning ascribed to it in the Listing Rules;
"Business Day"	a day (other than a Saturday, Sunday and public holiday) on which banks in Hong Kong are open for business;
"Completion"	completion of the Subscription Agreement;

"Completion Date"	the date of Completion which will be three Business Days after the fulfilment or waiver of the conditions set out in the Subscription Agreement last to be fulfilled or, where permitted, waived, or such other date as the parties to the Subscription Agreement may agree in writing;
"Conditions Precedent"	the conditions precedent for completion of the Subscription Agreement including those summarised in the sub-section headed "Conditions Precedent" in this announcement;
"connected person"	the meaning ascribed to it in the Listing Rules;
"Conversion Shares"	the Eminence Shares to be allotted and issued by Eminence upon exercise of the conversion rights under the 2019CB;
"Easyknit"	Easyknit International Holdings Limited, an exempted company incorporated in Bermuda with limited liability, the securities of which are listed on the main board of the Stock Exchange (stock code: 1218);
"Easyknit Directors"	the directors of Easyknit;
"Easyknit Group"	Easyknit and its subsidiaries;
"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, an exempted company incorporated in Bermuda with limited liability, the securities of which are listed on the main board of the Stock Exchange (Stock Code: 616);
"Eminence Board"	the board of directors of Eminence;
"Eminence Directors"	the directors of Eminence;
"Eminence Group"	Eminence and its subsidiaries;
"Eminence IBC"	an Eminence independent board committee comprising three (3) independent non-executive Directors of Eminence, established for the purposes of advising the Independent Eminence Shareholders on the Subscription Agreements and the transactions contemplated thereunder;
"Eminence IFA"	the independent financial adviser to be appointed by Eminence to advise the Eminence IBC and the Eminence Independent Shareholders in relation to the Subscription Agreement and the transactions

	contemplated thereunder;
"Eminence Independent Shareholders"	the Eminence Shareholders, who are not excluded under the Listing Rules from voting to approve the Subscription Agreement;
"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 Subscription Agreements;
"Eminence Share Option Scheme"	the Eminence share option scheme adopted by Eminence on 29 June 2012 under which share options were granted on 14 October 2016;
"Eminence Shareholders"	holders of Eminence Shares;
"Eminence Shares"	ordinary shares of HK\$0.01 each in the share capital of Eminence;
"Existing CBs"	the 2015CB, 2017CB1 and the 2017CB2;
"Goodco" or the "Subscriber"	Goodco Development Limited, the holder of the 2017CB1 and 2017CB2, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of Easyknit, being a substantial shareholder of Eminence;
"HK\$"	Hong Kong dollars, the lawful currency of Hong Kong;
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC;
"Issue Date"	the date of issue of the 2019CB, which will be on the date of completion of the Subscription Agreement;
"Landmark Profits"	Landmark Profits Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of Easyknit, being a substantial shareholder of Eminence;
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange;
"Long Stop Date"	30 September 2019 or such other date as Eminence and Easyknit may agree;
"PRC"	The People's Republic of China excluding Hong Kong and the Macau Special Administrative Region;
"Stock Exchange"	The Stock Exchange of Hong Kong Limited;
"Subscription Agreement"	the agreement dated 17 June 2019 entered into between Eminence and the Subscriber in relation to the subscription and issue of the 2019CB;

"substantial  
shareholder"

the meaning ascribed to it under the Listing Rules; and

"Takeovers Code"

The Code on Takeovers and Mergers.

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, 17 June 2019

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

*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.*

*If there is any inconsistency between the Chinese and English versions of this announcement, the English version shall prevail.*