
THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt as to any aspect of the Prospectus or as to the action to be taken, you should consult a licensed securities dealer, registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in the Company, you should at once hand the Prospectus Documents to the purchaser or the transferee or to the licensed securities dealer, registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

A copy of each of the Prospectus Documents, together with the documents specified in the paragraph headed “Documents delivered to the Registrar of Companies in Hong Kong” in Appendix IV to this Prospectus, have been registered by the Registrar of Companies in Hong Kong pursuant to Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). The Registrar of Companies in Hong Kong, The Stock Exchange of Hong Kong Limited and the Securities and Futures Commission of Hong Kong take no responsibility for the contents of any of the Prospectus Documents.

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on The Stock Exchange of Hong Kong Limited as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in both their nil-paid and fully-paid forms on The Stock Exchange of Hong Kong Limited or such other dates as may be determined by HKSCC. Settlement of transactions between participants of The Stock Exchange of Hong Kong Limited on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Hong Kong Exchanges and Clearing Limited, Hong Kong Securities Clearing Company Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of the Prospectus, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of the Prospectus.



EMINENCE ENTERPRISE LIMITED

高山企業有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 616)

RIGHTS ISSUE ON THE BASIS OF FOUR RIGHTS SHARES FOR EVERY ONE SHARE HELD AT THE RECORD DATE

Underwriter



結好證券有限公司
GET NICE SECURITIES LIMITED

Capitalised terms used in this cover page shall have the same meanings as those defined in the Prospectus. A letter from the EE Board is set out on pages 10 to 27 of the Prospectus.

The Rights Issue is conditional upon the fulfillment of the conditions set out under the paragraph headed “Conditions of the Rights Issue” in the section headed “Letter from the EE Board” on pages 17 to 18 of this Prospectus. The Underwriting Agreement contains provisions granting the Underwriter, by notice in writing, any time prior to the Latest Time for Termination of the Underwriting Agreement, the right to terminate the Underwriting Agreement on the occurrence of certain events, including but not limited to force majeure, as more particularly described in the section headed “Termination of the Underwriting Agreement” on page 9 of this Prospectus. The Rights Issue is therefore subject to the Underwriter not terminating the Underwriting Agreement. Accordingly, the Rights Issue may or may not proceed. The Shares have been dealt with on an ex-rights basis from Thursday, 9 January 2020. Dealings in the Rights Shares in the nil-paid form are expected to take place from 9:00 a.m. on Monday, 20 January 2020 to 4:10 p.m. on Wednesday, 29 January 2020 (both dates inclusive). If the conditions of the Rights Issue are not fulfilled or the Underwriting Agreement is terminated by the Underwriter on or before 4:00 p.m. on Tuesday, 4 February 2020 or such later time and/or date as may be agreed between the Company and the Underwriter, the Rights Issue will not proceed. Any Shareholders or other persons dealing or contemplating dealing in the Shares up to the date on which all the conditions of the Rights Issue are fulfilled (and the date on which the Underwriter’s right of termination of the Underwriting Agreement ceases), and any dealings in the nil-paid Rights Shares between 9:00 a.m. on Monday, 20 January 2020 to 4:10 p.m. on Wednesday, 29 January 2020 (both dates inclusive), bear the risk that the Rights Issue may not become unconditional or may not proceed. Any Shareholders or other persons dealing or contemplating dealing or contemplating dealing in the Shares or nil-paid Rights Shares are recommended to consult their own professional advisers. The latest time for acceptance of and payment for Rights Shares is 4:00 p.m. on Monday, 3 February 2020. The procedures for acceptance of and payment for or transfer of the Rights Shares are set out on pages 15 and 16 of this Prospectus.

16 January 2020

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EXPECTED TIMETABLE

The expected timetable for the Rights Issue is set out below:

Event	2020 (Hong Kong time)
First day of dealings in nil-paid Rights Shares	9:00 a.m. on Monday, 20 January
Latest time for splitting nil-paid Rights Shares	4:30 p.m. on Wednesday, 22 January
Last day of dealings in nil-paid Rights Shares	4:10 p.m. on Wednesday, 29 January
Latest time for acceptance of, and payment for, the Rights Shares and application for excess Rights Shares	4:00 p.m. on Monday, 3 February
Latest time to terminate the Underwriting Agreement and for the Rights Issue to become unconditional.	4:00 p.m. on Tuesday, 4 February
Announcement of the results of the Rights Issue	Monday, 10 February
Refund cheques despatched in relation to wholly or partially unsuccessful applications for excess Rights Shares	Tuesday, 11 February
Certificates for fully-paid Rights Shares to be despatched.	Tuesday, 11 February
Commencement of dealings in fully-paid Rights Shares	9:00 a.m. on Wednesday, 12 February
Designated broker ceases to stand in the market to provide matching services for the sale and purchase of odd lots of the Shares.	4:10 p.m. on Thursday, 13 February
Last day of free exchange of certificates for EE Shares for new certificates for Consolidated Shares.	Monday, 17 February

EXPECTED TIMETABLE

Notes:

- (i) Dates specified refer to Hong Kong local time and are indicative only and may be varied by agreement between the Company and the Underwriter. The Shareholders will be notified of any change to the expected timetable as and when necessary.
- (ii) The latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares may be amended if there is a tropical cyclone warning signal number 8 or above, or a “black” rainstorm warning and/or Extreme Conditions in force in Hong Kong:
 - (1) in force in Hong Kong at any local time before 12:00 noon but no longer in force after 12:00 noon on the latest date for acceptance of, and payment for, the Rights Shares and for application and payment for excess Rights Shares. In that case the latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares will be extended to 5:00 p.m. on the same Business Day; or
 - (2) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the latest date for acceptance of, and payment for, the Rights Shares and for application and payment for excess Rights Shares. In that case the latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares will be rescheduled to 4:00 p.m. on the next following Business Day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m.

If the latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares is amended, the dates mentioned above may be affected. The Company will notify the Shareholders by way of announcement(s) on any change to the expected timetable as soon as practicable.

DEFINITIONS

In the Prospectus, unless the context otherwise requires, the following expressions have the meanings as set out below:

“Acceptance Time”	4:00 p.m. on Monday, 3 February 2020 (or such other time or date as the Underwriter may agree in writing with the Company as the latest time and date for acceptance of, and payment for, Rights Shares)
“Announcement”	the announcement of the Company dated 6 November 2019 (as supplemented by a further announcement dated 18 November 2019) relating to, among other things, the Share Consolidation and the Rights Issue
“associate(s)”	the meaning ascribed thereto under the Listing Rules
“Business Day(s)”	a day (other than a Saturday and Sunday or a day on which a black rainstorm warning or tropical cyclone warning signal number 8 or above is hoisted in Hong Kong at any time between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon) on which banks are open for business in Hong Kong
“BVI”	the British Virgin Islands
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Circular”	the circular of the Company dated 17 December 2019 containing, amongst other things, details regarding the Share Consolidation and Rights Issue and transactions contemplated thereunder
“Company”	Eminence Enterprise Limited (Stock Code: 616), an exempted company incorporated in Bermuda with limited liability, the shares of which are listed on the main board of the Stock Exchange
“connected person(s)”	the meaning ascribed thereto under the Listing Rules
“Consolidated Share(s)”	ordinary share(s) of par value HK\$0.20 each in the share capital of the Company

DEFINITIONS

“Convertible Notes”	the Goodco Convertible Notes and the Madian Star Convertible Note
“EAF(s)”	the excess application form(s) issued in connection with the Rights Issue
“Easyknit”	Easyknit International Holdings Limited (Stock Code: 1218), an exempted company incorporated in Bermuda with limited liability, the shares of which are listed on the main board of Stock Exchange
“EE Board”	the board of EE Directors
“EE Director(s)”	director(s) of the Company
“EE Group”	the Company and its subsidiaries
“EE Share(s)”	ordinary share(s) of par value HK\$0.01 each in the share capital of the Company before the Share Consolidation became effective
“Extreme Conditions”	extreme conditions caused by super typhoons, including but not limited to serious disruption of public transport services, extensive flooding, major landslides or large-scale power outage after super typhoons, as announced by the government of Hong Kong
“Fung Wah Factorial Building”	an industrial building at Nos. 646, 648, 648A Castle Peak Road, Kowloon, Hong Kong of which the EE Group owns 90.83% (details of which could be found in the IR Report, announcement of the Company dated 6 September 2019 and circulars of the Company dated 14 September 2015, 15 July 2016, 15 September 2016, 29 September 2017 and 4 January 2018 respectively)
“Goodco”	Goodco Development Limited, a company incorporated in the BVI with limited liability, a wholly-owned subsidiary of Easyknit, and a substantial shareholder of the Company

DEFINITIONS

“Goodco Convertible Notes”	<p>the 3% per annum coupon rate convertible notes issued by the Company to Goodco:</p> <p>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 Shares on the basis of a conversion price that is at present (adjusted after the Share Consolidation became effective) HK\$3.20 per Share, of which the outstanding amount is HK\$16,000,000;</p> <p>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 Shares on the basis of a conversion price that is at present (adjusted after the Share Consolidation became effective) HK\$1.20 per Share, of which the outstanding amount is HK\$11,280,000; and</p> <p>on 28 August 2019 in the principal amount of HK\$70,000,000 conferring rights to convert at any time before 28 August 2024 the principal amount into Shares on the basis of a conversion price that is at present (adjusted after the Share Consolidation became effective) HK\$1.10 per Share, of which the outstanding amount is HK\$70,000,000</p>
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Huzhou Properties”	the properties located at No. 108 of Dongliang Road, Zhili Town, Wuxing District, Huzhou City, Zhejiang Province of the PRC (details of which could be found in the IR Report)
“Independent Shareholders”	the Shareholders, other than those who are required under the Listing Rules to abstain from voting at the SGM
“IR Report”	the interim report of the Company published on 12 December 2019
“Kennedy Town Properties”	the properties at Nos. 1B, 1C, 1D, and 1E Davis Street, Kennedy Town, Hong Kong
“Landmark Profits”	Landmark Profits Limited, a company incorporated in the BVI with limited liability, a wholly-owned subsidiary of Easyknit and a shareholder of the Company

DEFINITIONS

“Last Trading Day”	Monday, 4 November 2019, being the last trading day for the EE Shares on the Stock Exchange prior to the date of the Announcement
“Latest Practicable Date”	Monday, 13 January 2020, being the latest practicable date prior to printing of the Prospectus for the purpose of ascertaining certain information contained herein
“Latest Time for Termination of the Underwriting Agreement”	4:00 p.m. on Tuesday, 4 February 2020, or such other time as may be agreed between the Company and the Underwriter
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Madian Star”	Madian Star Limited, a holder of Shares and of the Madian Star Convertible Note, an investment holding company incorporated in the BVI with limited liability
“Madian Star Convertible Note”	the 3% per annum coupon rate convertible note issued by the Company to Madian Star 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 Shares on the basis of a conversion price (adjusted after the Share Consolidation became effective) that is at present HK\$1.20 per Share, of which the outstanding amount is HK\$40,400,000
“Matheson Street Project”	a redevelopment project of the site at Nos. 11, 13 and 15 Matheson Street, Causeway Bay, Hong Kong which is 100% owned by the Group (details of which could be found in the announcements of the Company dated 3 July 2009, 22 August 2017 and 29 September 2017 respectively and circulars of the Company dated 24 July 2009, 12 September 2017 and 29 September 2017 respectively and the IR Report)
“Overseas Shareholder(s)”	shareholder(s) whose name(s) appeared on the register of members of the Company at the close of business on the Record Date and whose address(es) as shown on such register were outside Hong Kong
“PAL(s)”	the provisional allotment letter(s) for the Rights Issue
“PRC”	the People’s Republic of China
“Prospectus”	this prospectus, which is issued by the Company in relation to the Rights Issue
“Prospectus Documents”	the Prospectus, the PALs and the EAFs
“Record Date”	Wednesday, 15 January 2020

DEFINITIONS

“Registrar”	the Company’s branch share registrar and transfer office in Hong Kong, Tricor Secretaries Limited, at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong
“Review Period”	the 12-month period from 5 November 2018 up to and including the Last Trading Day
“Rights Issue”	the proposed issue of the Rights Shares by way of rights to the Shareholders for subscription on the terms set out in the Prospectus Documents
“Rights Share(s)”	745,166,408 Rights Shares now being offered to the Shareholders for subscription on the basis of four (4) Rights Shares for every one (1) Share held at the Record Date pursuant to the Rights Issue
“Settlement Date”	Thursday, 6 February 2020, being the third (3rd) Business Day following the Acceptance Time or such later date as the Company and the Underwriter may agree
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“SGM”	the special general meeting convened and held on 6 January 2020 by the Company during which, among other things, the Share Consolidation, the Rights Issue, the Underwriting Agreement and transactions contemplated thereunder were approved by the Independent Shareholders
“Share Consolidation”	the consolidation of every twenty (20) issued and unissued EE Shares into one (1) Consolidated Share, which became effective on 8 January 2020
“Share(s)”	EE Shares(s) and/or Consolidated Share(s), as the context permits
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the subscription price of HK\$0.483 per Rights Share under the Rights Issue
“subsidiary”	the meaning ascribed thereto under the Listing Rules
“substantial shareholder(s)”	the meaning ascribed thereto under the Listing Rules
“Takeovers Code”	the Code on Takeovers and Mergers

DEFINITIONS

“Undertakings”	the conditional irrevocable undertakings dated 4 November 2019 from Landmark Profits and Goodco to the Company and the Underwriter described in the section headed “Undertakings” in the Prospectus
“Underwriter”	Get Nice Securities Limited, a corporation licensed to carry out business in Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO
“Underwriting Agreement”	the underwriting agreement dated 4 November 2019 entered into between the Company and the Underwriter in relation to the underwriting and certain arrangements in respect of the Rights Issue
“Underwritten Shares”	not less than 597,300,276 Rights Shares and not more than 731,966,940 Rights Shares, being all the Rights Shares other than the Rights Shares to be provisionally allotted to and accepted by Landmark Profits and Goodco pursuant to the Undertakings
“Wing Cheong Factory Building”	an industrial building at No. 121 King Lam Street, Kowloon, Hong Kong erected on New Kowloon Inland Lot No. 4474
“%”	percent

TERMINATION OF THE UNDERWRITING AGREEMENT

The Underwriter may terminate the arrangements set out in the Underwriting Agreement by notice in writing given by it to the Company at any time prior to 4:00 p.m. on the Settlement Date if:

- (a) in the absolute opinion of the Underwriter, the success of the Rights Issue would be materially and adversely affected by:
 - (i) the introduction of any new regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the EE Group as a whole or is materially adverse in the context of the Rights Issue; 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 Underwriting Agreement), of a political, military, financial, economic or other nature, or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the EE Group as a whole; or
 - (iii) any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out which would, in the absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the EE Group as a whole; or
- (b) any material adverse change in market conditions (including, without limitation, a change in fiscal or monetary policy or foreign exchange or currency markets, suspension or restriction of trading in securities, and a change in currency conditions for this purpose includes a change in the system under which the value of the Hong Kong currency is pegged with that of the currency of the United States of America) occurs which in the absolute opinion of the Underwriter makes it inexpedient or inadvisable to proceed with the Rights Issue; or
- (c) the Prospectus when published contains information (either as to business prospects or the condition of the EE Group or as to its compliance with any laws or the Listing Rules or any applicable regulations) which has not prior to the date of the Underwriting Agreement been publicly announced or published by the Company and which may in the absolute opinion of the Underwriter be material to the EE Group as a whole upon completion of the Rights Issue and is likely to affect materially and adversely the success of the Rights Issue.

In addition, the Underwriter has the right to terminate the Underwriting Agreement if any material breach of the warranties under the Underwriting Agreement comes to the knowledge of the Underwriter.

Upon the giving of notice of termination, all obligations of the Underwriter under the Underwriting Agreement shall cease and neither it nor the Company shall have any claim against the other party in respect of any matter or thing arising out of or in connection with the Underwriting Agreement provided that the Company shall remain liable to pay to the Underwriter the fees and expenses payable under it (other than the underwriting commission). If the Underwriter exercises such right, the Rights Issue will not proceed.

LETTER FROM THE EE BOARD



EMINENCE ENTERPRISE LIMITED

高山企業有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 616)

Executive Directors:

Mr. Kwong Jimmy Cheung Tim

(Chairman and Chief Executive Officer)

Ms. Lui Yuk Chu

(Deputy Chairman)

Registered office:

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

Independent Non-executive Directors:

Mr. Kan Ka Hon

Mr. Lau Sin Ming

Mr. Wu Koon Yin Welly

*Head office and principal place of
business in Hong Kong:*

Block A, 7th Floor

Hong Kong Spinners Building

Phase 6

481–483 Castle Peak Road

Cheung Sha Wan

Kowloon

Hong Kong

16 January 2020

To the Shareholders

Dear Sir or Madam,

RIGHTS ISSUE ON THE BASIS OF FOUR RIGHTS SHARES FOR EVERY ONE SHARE HELD AT THE RECORD DATE

INTRODUCTION

Reference is made to the Announcement and the Circular in relation to, among other things, the Rights Issue.

At the SGM convened and held on Monday, 6 January 2020, the necessary resolutions approving, among other things, the Share Consolidation, the Rights Issue, the Underwriting Agreement and transactions contemplated thereunder were duly passed by the Independent Shareholders by way of poll.

At the Record Date, the total number of Shares was 186,291,602. Accordingly, a total of 745,166,408 Rights Shares are to be allotted and issued by the Company under the Rights Issue.

LETTER FROM THE EE BOARD

PROPOSED RIGHTS ISSUE

The Company proposes to raise approximately HK\$359.9 million, before expenses, by way of the Rights Issue to the Shareholders at the Subscription Price of HK\$0.483 per Rights Share on the basis of four (4) Rights Shares for every one (1) Share held at the Record Date and payable in full on acceptance.

The number of Rights Shares is 745,166,408.

On 4 November 2019, the Company entered into the Underwriting Agreement with the Underwriter in respect of the Rights Issue and further details of the Rights Issue are set out below:

Issue statistics

Basis of the Rights Issue	:	four (4) Rights Shares for every one (1) Share held on the Record Date
Number of Shares in issue as at the Record Date	:	186,291,602 Shares
Number of Rights Shares	:	745,166,408 Rights Shares
Aggregate nominal value of the Rights Shares	:	HK\$359,915,375
Subscription Price	:	HK\$0.483 per Rights Share
Issued share capital of the Company immediately upon completion of the Rights Issue	:	931,458,010 Shares
Funds raised before expenses	:	approximately HK\$359.9 million
Net proceeds per Rights Share	:	approximately HK\$0.475 per Rights Share
Underwriter	:	Get Nice Securities Limited
Right of excess application	:	Shareholders may apply for the Rights Shares in excess of their provisional allotments

The 745,166,408 Rights Shares which will be allotted and issued pursuant to the Rights Issue represent (i) 400% of the existing issued share capital of the Company; and (ii) 80% of the issued share capital of the Company as enlarged by the allotment and issue of the Rights Shares immediately after completion of the Rights Issue.

LETTER FROM THE EE BOARD

With the exception of the Convertible Notes, as at the Latest Practicable Date, the Company did not have any outstanding share options granted under its share option scheme or any other derivatives, options, warrants and conversion rights or other similar rights which are convertible or exchangeable into Shares.

Pursuant to the Undertakings described in the paragraph headed “Undertakings” in the section headed “Underwriting Agreement for the Rights Issue” below, each of Landmark Profits and Goodco has irrevocably undertaken to the Company and the Underwriter that among other things, the Rights Shares to be allotted in respect of Shares beneficially owned by them will be taken up in full and that it will not apply for any excess Rights Shares.

Basis of allotment

The basis of allotment is four (4) Rights Shares for every one (1) Share held on the Record Date.

Subscription Price

The Subscription Price for the Rights Shares is HK\$0.483 per Rights Share, payable in full when a Shareholder accepts the relevant provisional allotments of the Rights Shares or, where applicable, applies for excess Rights Shares or a transferee of nil-paid Rights Shares applies for the relevant Rights Shares.

The Subscription Price represents:

- (i) a discount of approximately 24.5% to the closing price of HK\$0.64 per Consolidated Share, based on the closing price of HK\$0.032 per EE Share as quoted on the Stock Exchange on the Last Trading Day and adjusted for the effect of the Share Consolidation;
- (ii) a discount of approximately 21.6% to the average closing price of HK\$0.616 per Consolidated Share, based on the average closing price of HK\$0.0308 per EE Share as quoted on the Stock Exchange for the five (5) consecutive trading days prior to the Last Trading Day and adjusted for the effect of the Share Consolidation;
- (iii) a discount of approximately 6.1% to the theoretical ex-rights price of HK\$0.5144 per Consolidated Share after the Rights Issue, based on the closing price of HK\$0.032 per EE Share as quoted on the Stock Exchange on the date of the Underwriting Agreement (i.e. 4 November 2019) and adjusted for the effect of the Share Consolidation;
- (iv) a discount of approximately 96.8% to the unaudited adjusted consolidated net asset value per Consolidated Share of approximately HK\$14.97 (based on the unaudited consolidated net asset value of the Company as 30 September 2019 of approximately HK\$2,788.8 million and the number of issued Consolidated Shares after the Share Consolidation, which is 186,291,602); and
- (v) a discount of approximately 3.4% to the closing price of HK\$0.500 per Consolidated Share as quoted on the Stock Exchange on the Latest Practicable Date.

LETTER FROM THE EE BOARD

The Subscription Price was determined based on arm's length negotiations between the Company and the Underwriter with reference to (i) the low trading liquidity of the Shares for the recent twelve (12) months; (ii) the prevailing market price of the Shares and the generally downward trend of the closing prices of the EE Shares during the Review Period, which ranged from HK\$1.90 in February 2019 to HK\$0.52 in October 2019 with an average daily closing price per Share of approximately HK\$1.176 (adjusted for the Share Consolidation), as well as the theoretical ex-rights price of approximately HK\$0.5144; (iii) the comparable companies (as disclosed under the subsection headed "Comparison with recent rights issue transactions" in the "Letter from the Independent Financial Adviser" in the Circular) that carried out rights issues in Hong Kong, of which the subscription prices of their rights issue were also at a discount to their prevailing market prices; and (iv) the EE Directors' consideration of the future business development of the EE Group.

In setting the Subscription Price, the EE Directors were mindful of the fact that the Subscription Price represents a discount of approximately 96.8% to the unaudited adjusted consolidated net asset value per Share of approximately HK\$14.97 as at 30 September 2019. However, given that the Company requires funding and the Shares have been consistently traded at a substantial discount to the consolidated net asset value per Share during the Review Period, the EE Directors consider this is unavoidable and that the Subscription Price will take into account the prevailing market price as well as the theoretical ex-rights price of the Shares which reflect the fair market value of the Shares traded on the Stock Exchange.

In view of the current uncertainties and market sentiment in the financial market in Hong Kong, the Company has encountered difficulties to secure potential investors to invest in the Shares and further banking support. The discount to the recent closing prices of the Shares represented by the Subscription Price was determined with a view to encouraging the Shareholders to participate in the Rights Issue and maintain their shareholdings in the Company and benefiting from the future growth of the Company and as a way to induce the Underwriter to enter into the Underwriting Agreement.

Although the Rights Issue will potentially result in a theoretical dilution effect of approximately 6.1%, being the discount of the theoretical diluted price of HK\$0.5144 per Share to the benchmarked price of HK\$0.64 per Share, the Independent Shareholders voted for the Rights Issue and the Underwriting Agreement at the SGM. The EE Directors consider that the interest of the Shareholders will not be prejudiced given that:

- (a) the Shareholders can elect to accept the Rights Issue or not;
- (b) the Shareholders can sell their nil-paid rights to subscribe for the Rights Shares in the market, for economic benefit;
- (c) the Rights Issue will offer the Shareholders an opportunity to subscribe for their Rights Shares to maintain their respective pro-rata shareholding interests in the Company at a deep discount as compared to the net asset value and historical and prevailing market price of the Shares; and
- (d) those Shareholders who take up their assured allotments in full under the Rights Issue will maintain their respective pro-rata shareholding interests in the Company after completion of the Rights Issue.

LETTER FROM THE EE BOARD

Based on the above, the EE Directors (including independent non-executive EE Directors) consider the terms of the Rights Issue (including the Subscription Price and the theoretical dilution effect of approximately 6.1%) are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

Status of the Rights Shares

The Rights Shares, when allotted, fully-paid and issued, shall rank pari passu in all respects with the Shares then in issue, including as to the right to receive all future dividends and distributions which may be declared, made or paid on or after the date of allotment of the Rights Shares. Dealings in the Rights Shares will be subject to payment of stamp duty in Hong Kong.

Fractional entitlements to the Rights Shares

The Company will not provisionally allot fractions of Rights Shares. All fractions of Rights Shares have been aggregated and will be sold in the market, if a premium (net of expenses) can be obtained, for the benefit of the Company. Any unsold Rights Shares so aggregated are available for excess application.

Shareholders

Those Shareholders who do not take up the Rights Shares to which they are entitled should note that their shareholdings in the Company will be diluted.

Basis for provisional allotments

The basis of the provisional allotment is four (4) Rights Shares (in nil-paid form) for every one (1) Share held by the Shareholders as at the close of business on the Record Date.

Application for all or any part of a Shareholder's provisional allotment can be made only by completing a PAL and lodging the same with remittance for the Rights Shares being applied for with the Registrar on or before the Acceptance Time.

Overseas Shareholders

The Company does not intend that the Prospectus Documents will be registered under the applicable securities legislation of any jurisdiction other than Hong Kong.

According to the register of members of the Company, as at the Latest Practicable Date, there were no Overseas Shareholders with registered addresses outside Hong Kong.

LETTER FROM THE EE BOARD

Procedures for acceptance and payment and/or transfer

Shareholders will find enclosed with this Prospectus a PAL which entitles the Shareholder to whom it is addressed to subscribe for the number of Rights Shares shown therein. If the Shareholders wish to accept all the Rights Shares provisionally allotted to them as specified in the PALs, they must lodge the PALs in accordance with the instructions printed thereon, together with a remittance for the full amount payable on acceptance, with the Registrar at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, by no later than 4:00 p.m. on Monday, 3 February 2020. All remittances must be made in Hong Kong dollars by cheques which must be drawn on an account with, or by cashier's orders which must be issued by, a licensed bank in Hong Kong and made payable to "EMINENCE ENTERPRISE LIMITED – RIGHTS ISSUE ACCOUNT" and crossed "ACCOUNT PAYEE ONLY". The benefit of any rounding adjustments will be retained by the Company.

It should be noted that unless the duly completed PAL, together with the appropriate remittance, has been lodged with the Registrar by no later than 4:00 p.m. on Monday, 3 February 2020 (or, under bad weather and/or extreme conditions, such later time and/or date as mentioned in the notes to the section headed "Expected Timetable" of this Prospectus), whether by the original allottee or any person to whom the provisional allotment has been validly transferred, the relevant provisional allotment and all rights and entitlements thereunder will be deemed to have been declined and will be cancelled and such Rights Shares will be available for application under the EAFs by the Shareholders. The Company is not obliged but may, at its sole and absolute discretion, treat a PAL as valid and binding on the person(s) by whom or on whose behalf it is lodged even if the PAL is not completed in accordance with the relevant instructions. The Company may require such incomplete PAL to be completed by the relevant applicants at a later stage.

Completion and return of the PAL will constitute a warranty and representation to the Company, from such person, that all registration, legal and regulatory requirements of all relevant jurisdictions other than Hong Kong, in connection with the PAL and any acceptance of it, have been, or will be, duly complied with. The Company reserves the right to refuse to accept any acceptance of the Rights Shares where it believes that doing so would violate the applicable securities legislation or other laws or regulations of any jurisdiction. For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited will give, or be subject to, the above representation or warranty.

If a Shareholder wish to transfer all of his/her/its rights to subscribe for the Rights Shares provisionally allotted to him/her/it, the Shareholder must complete and sign the "FORM OF TRANSFER AND NOMINATION" in the PAL and hand the PAL to the transferee(s) or broker through whom the Shareholder is transferring his/her/its rights. The transferee(s) must then complete and sign the "REGISTRATION APPLICATION FORM" in the PAL and lodge the PAL intact together with a remittance for the full amount payable on acceptance (rounded up to the nearest two decimal places) with the Registrar, Tricor Secretaries Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, so as to be received by the Registrar by not later than 4:00 p.m. on Monday, 3 February 2020 (or, under bad weather and/or extreme conditions, such later time and/or date as mentioned in notes to the sub-section headed "Expected Timetable"). All remittances must be made in Hong Kong dollars and cheques must be drawn on an account with, or cashier's orders must be issued by, a licensed bank in Hong Kong and made payable to "EMINENCE ENTERPRISE LIMITED – RIGHTS ISSUE ACCOUNT" and crossed "ACCOUNT PAYEE ONLY".

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If a Shareholder wishes to accept only part of the provisional allotment or transfer part of his/her/its rights to subscribe for the Rights Shares provisionally allotted to him/her/it under the PAL or transfer part/all of his/her/its rights to more than one person, the original PAL must be surrendered and lodged for cancellation by no later than 4:30 p.m. on Wednesday, 22 January 2020 with the Registrar, who will cancel the original PAL and issue new PAL(s) in the denominations required. The new PAL(s) will be available for collection at the Registrar at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, after 9:00 a.m. on the second Business Day after the surrender of the original PAL.

The PAL contains further information regarding the procedures to be followed for acceptance and/or transfer of the whole or part of the provisional allotment of the Rights Shares by the Shareholders. All cheques and cashier's orders will be presented for payment immediately upon receipt and all interests earned on such monies (if any) will be retained for the benefit of the Company. Completion and return of the PAL with a cheque or a cashier's order will constitute a warranty by such person that the cheque or the cashier's order will be honoured on first presentation. Without prejudice to the other rights of the Company in respect thereof, the Company reserves the right to reject any PAL in respect of which the accompanying cheque or cashier's order is dishonoured on first presentation, and in that event the relevant provisional allotment of Rights Shares and all rights and entitlements thereunder will be deemed to have been declined and will be cancelled.

If the Underwriter exercises the right to terminate or rescind the Underwriting Agreement or if any of the conditions of the Rights Issue as set out in the paragraph headed "Conditions of the Rights Issue" under the "LETTER FROM THE EE BOARD" is not fulfilled or waived (as applicable) at or before 4:00 p.m. on Tuesday, 4 February 2020 (or such other time or date as may be agreed between the Company and the Underwriter in writing), the remittances received in respect of acceptances of the Rights Shares will be returned to the Shareholders or such other persons to whom the Rights Shares in the nil-paid form have been validly transferred or, in the case of joint acceptances, to the first-named person without interest, by means of cheques despatched by ordinary post at the risk of such Shareholders or such other persons to their registered addresses on or before Tuesday, 11 February 2020.

Share certificates and refund cheques for the Rights Issue

Subject to the fulfilment of the conditions of the Rights Issue, share certificates for all fully-paid Rights Shares are expected to be posted on Tuesday, 11 February 2020 by ordinary post to the allottees, at their own risk, to their registered addresses. Refund cheques in respect of wholly or partially unsuccessful applications for the excess Rights Shares (if any) are expected to be posted on Tuesday, 11 February 2020 by ordinary post to the applicants, at their own risk, to their registered addresses. Each Shareholder will receive one share certificate for all allotted Rights Shares.

Application for excess Rights Shares

The Shareholders may apply, by way of excess application, for any Rights Shares provisionally allotted but not accepted.

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Applications for excess Rights Shares can be made only by completing an EAF and lodging the same with a separate cheque or banker's cashier order for the sum payable for the excess Rights Shares being applied for with the Registrar at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, on or before the Acceptance Time. All remittances must be made in Hong Kong dollars by cheques which must be drawn on a bank account with, or by cashier's orders which must be issued by, a licensed bank in Hong Kong and made payable to "EMINENCE ENTERPRISE LIMITED" and crossed "ACCOUNT PAYEE ONLY". The benefit of any rounding adjustments will be retained by the Company. The Registrar will notify the relevant Shareholders of any allotment of Rights Shares to them.

Completion and return of an EAF will constitute a representation and warranty by the applicant to the Company that all registration, legal and regulatory requirements of all relevant jurisdictions other than Hong Kong, in connection with the EAF and any applications made for excess Right Shares, have been, or will be, duly complied with. For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited will give, or be subject to, the above representation and warranty. Shareholders in doubt as to their position, you should consult their own professional advisers. The Company reserves that right to refuse to accept any application for excess Rights Shares where it believes that doing so would violate the applicable securities legislation or other laws and regulations of any jurisdiction.

The EE Directors will allocate any excess Rights Shares (if any) at their discretion on a fair and equitable basis but will give preference to topping-up odd lots to whole board lots. The EE Board will allocate the excess Rights Shares to the Shareholders who have applied for excess application at its discretion, but on a pro-rata basis in proportion to the number of excess Rights Shares being applied for under each application. In determining the number of excess Rights Shares to be allocated to a Shareholder, no reference will be made to the number of Rights Shares subscribed by that Shareholder through applications by PAL or the existing number of Shares held by such Shareholder.

Investors with their Shares held by a nominee (or which are held in CCASS) should note that the nominee (including HKSCC Nominees Limited) is a single Shareholder for the purposes of the Rights Issue. Accordingly, investors whose Shares are registered in the names of nominees (or which are held in CCASS) should note that the aforesaid arrangement in relation to the top-up of odd lots for allocation of excess Rights Shares will not be extended to beneficial owners individually.

The latest time for acceptance of and payment for the Rights Issue will be 4:00 p.m. on Monday, 3 February 2020, or such later date or time as may be agreed between the Company and the Underwriter.

Conditions of the Rights Issue

The Rights Issue remains conditional upon each of the following conditions:

- (i) compliance with and performance by the Company of certain undertakings and obligations under the Underwriting Agreement;
- (ii) the Listing Committee of the Stock Exchange granting listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms and such listings and permission to deal not having been withdrawn or revoked on or before 4:00 p.m. on the Settlement Date; and

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- (iii) the Shares remaining listed on the Stock Exchange at all times prior to the Settlement Date and the listing of the Shares not having been withdrawn and the trading of the Shares not having been suspended for a consecutive period of more than five (5) trading days.

The Rights Issue will not proceed if the Underwriting Agreement is terminated.

In the event that these conditions have not been satisfied/or waived (other than condition (ii) which cannot be waived in whole or part) on or before 4:00 p.m. on the Settlement Date (or, in each case, such later date as the Underwriter and the Company may agree), all liabilities of the parties to the Underwriting Agreement shall cease and neither party shall have any claim against the other (except that certain expenses of the Underwriter shall remain payable by the Company) and the irrevocable undertakings by Landmark Profits and Goodco will lapse and the Rights Issue will not proceed.

As at the Latest Practicable Date, none of the conditions precedent had been waived.

Application for listing

The Company has made an application to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Rights Shares (in both nil-paid and fully-paid forms). No part of the securities of the Company is listed or dealt in and listing or permission to deal in then is being or is proposed to be sought on any other stock exchange.

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both nil-paid and fully-paid forms on the Stock Exchange, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement dates of dealings in the Rights Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the general rules of CCASS and CCASS operational procedures in effect from time to time. Shareholders should seek advice from their stockbrokers or other professional advisers for details of those settlement arrangements and how such arrangements will affect their rights and interests.

The nil-paid Rights Shares and fully-paid Rights Shares will be traded in board lots of 5,000.

Dealings in the Rights Shares in both nil-paid and fully-paid forms will be subject to the payment of stamp duty, Stock Exchange trading fee, transaction levy, investor compensation levy or any other applicable fees and charges in Hong Kong.

Taxation

Shareholders are advised to consult their professional advisers if they are in any doubt as to the taxation implications of the receipt, purchase, holding, exercising, disposing of or dealing in, the nil-paid Rights Shares or the Rights Shares.

LETTER FROM THE EE BOARD

UNDERWRITING AGREEMENT FOR THE RIGHTS ISSUE

Undertakings

Each of Landmark Profits and Goodco has irrevocably undertaken to the Company and the Underwriter that the Rights Shares allotted in respect of those Shares of which it is the beneficial owner will be taken up in full, representing a total of 147,866,132 Rights Shares and it will not apply for any excess Rights Shares.

Underwriting Agreement

Date	:	4 November 2019
Underwriter	:	Get Nice Securities Limited
Number of Underwritten Shares	:	All Rights Shares which are not subject to the Undertakings, being not less than 597,300,276 Rights Shares
Commission	:	1.50% of the aggregate Subscription Price in respect of the Underwritten Shares

To the best of the knowledge, information and belief of the EE Directors, having made all reasonable enquiries, in accordance with Rule 7.19(1)(a) of the Listing Rules the Underwriter and its ultimate beneficial owners are third parties independent of the Company and its connected persons. The Underwriter is a corporation licensed to carry on Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO and all the sub-underwriters are licensed corporations under the SFO. As at the Latest Practicable Date, the Underwriter had no interest in the Shares save pursuant to the Underwriting Agreement.

The commission rate was determined after arm's length negotiations between the Company and the Underwriter by reference to the then expected size of the Rights Issue, and the current and expected market conditions. The EE Board considers that the terms of the Underwriting Agreement, including the commission rate, are fair and reasonable as far as the Company and the Shareholders are concerned.

Termination of the Underwriting Agreement

The Underwriter may terminate the arrangements set out in the Underwriting Agreement by notice in writing given by it to the Company at any time prior to 4:00 p.m. on the Settlement Date if:

- (a) in the absolute opinion of the Underwriter, the success of the Rights Issue would be materially and adversely affected by:
 - (i) the introduction of any new regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the EE Group as a whole or is materially adverse in the context of the Rights Issue; or

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- (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 hereof), of a political, military, financial, economic or other nature, or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the EE Group as a whole; or
 - (iii) any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out which would, in the absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the EE Group as a whole; or
- (b) any material adverse change in market conditions (including, without limitation, a change in fiscal or monetary policy or foreign exchange or currency markets, suspension or restriction of trading in securities, and a change in currency conditions for the purpose of this clause includes a change in the system under which the value of the Hong Kong currency is pegged with that of the currency of the United States of America) occurs which in the absolute opinion of the Underwriter makes it inexpedient or inadvisable to proceed with the Rights Issue; or
 - (c) the Prospectus when published contains information (either as to business prospects or the condition of the EE Group or as to its compliance with any laws or the Listing Rules or any applicable regulations) which has not prior to the date of the Underwriting Agreement been publicly announced or published by the Company and which may in the absolute opinion of the Underwriter be material to the EE Group as a whole upon completion of the Rights Issue and is likely to affect materially and adversely the success of the Rights Issue.

In addition, the Underwriter has the right to terminate the Underwriting Agreement if any material breach of the warranties under the Underwriting Agreement comes to the knowledge of the Underwriter.

Upon the giving of notice of termination, all obligations of the Underwriter under the Underwriting Agreement shall cease and neither it nor the Company shall have any claim against the other party in respect of any matter or thing arising out of or in connection with the Underwriting Agreement provided that the Company shall remain liable to pay to the Underwriter the fees and expenses payable under it (other than the underwriting commission). If the Underwriter exercises such right, the Rights Issue will not proceed.

EFFECTS ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

The table below sets out the shareholding structure of the Company (a) as at the Latest Practicable Date; (b) immediately after completion of the Rights Issue, assuming all Rights Shares are taken up by the Shareholders; and (c) immediately after completion of the Rights Issue, assuming only Landmark Profits and Goodco take up their Rights Shares.

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	(a) as at the Latest Practicable Date		(b) immediately after the completion of the Rights Issue (all Rights Shares are subscribed by the Shareholders)		(c) immediately after the completion of the Rights Issue (only Landmark Profits and Goodco take up their Rights Shares)	
	Number of Consolidated Shares	Approx. %	Number of Consolidated Shares	Approx. %	Number of Consolidated Shares	Approx. %
Non-public						
Easyknit subsidiaries						
Landmark Profits	4,677,474	2.51	23,387,370	2.51	23,387,370	2.51
Goodco						
– Shares	32,289,059	17.33	161,445,295	17.33	161,445,295	17.33
– total underlying Shares	<u>78,036,363*</u>	–	<u>78,036,363*</u>	–	<u>78,036,363*</u>	–
Sub-total	36,966,533	19.84	184,832,665	19.84	184,832,665	19.84
Other substantial shareholder						
HU Rong	44,125,500	23.69	220,627,500	23.69	44,125,500	4.74
Public						
Underwriter	–	–	–	–	69,700,276	7.49
Sub-underwriters (Note)						
– China Rise Securities Asset Management Company Limited	–	–	–	–	93,000,000	9.98
– John & Wong Securities Company Limited	–	–	–	–	93,000,000	9.98
– Success Securities Limited	–	–	–	–	93,000,000	9.98
– Win Wind Securities Limited	–	–	–	–	93,000,000	9.98
– CS Wealth Securities Limited	–	–	–	–	93,000,000	9.98
– Brilliant Norton Securities Company Limited	–	–	–	–	44,000,000	4.73
– Wo Fung Securities Company Limited	–	–	–	–	18,600,000	2.01
Other public Shareholders	98,949,569	53.12	494,747,845 [^]	53.12	98,949,569	10.62
Madian Star						
– Shares	6,250,000	3.35	31,250,000	3.35	6,250,000	0.67
– Shares underlying Madian Star Convertible Note	<u>33,666,666*</u>	–	<u>33,666,666*</u>	–	<u>33,666,666*</u>	–
Total	<u>186,291,602</u>	<u>100.00</u>	<u>931,458,010[^]</u>	<u>100.00</u>	<u>931,458,010[^]</u>	<u>100.00</u>

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

[^] The figures include fractional Shares.

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Note: China Rise Securities Asset Management Company Limited is a corporation licensed to carry out business in Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the SFO; John & Wong Securities Company Limited is a corporation licensed to carry out business in Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 5 (advising on futures contracts) and Type 9 (asset management) regulated activities under the SFO; Success Securities Limited is a corporation licensed to carry out business in Type 1 (dealing in securities) and Type 4 (advising on securities); Win Wind Securities Limited is a corporation licensed to carry out business in Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the SFO; CS Wealth Securities Limited is a corporation licensed to carry out business in Type 1 (dealing in securities) regulated activities under the SFO; Brilliant Norton Securities Company Limited is a corporation licensed to carry out business in Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities under the SFO; and Wo Fung Securities Company Limited is a corporation licensed to carry out business in Type 1 (dealing in securities) regulated activities under the SFO.

Following the Rights Issue, assuming all the Rights Shares are subscribed by the Shareholders and the Underwriter, the Company will remain an associate of Easyknit for accounting purposes.

Pursuant to the Underwriting Agreement, in the event that the Underwriter is called upon to subscribe for or to procure subscribers for the Underwritten Shares, the Underwriter shall use its best endeavours to ensure that (1) each of the subscribers of the Underwritten Shares procured by it shall be a third party independent of, not acting in concert (within the meaning of the Takeovers Code) with and not connected with the Company, any of the EE Directors or chief executive or substantial shareholders of the Company or their respective associates; and (2) the public float requirements under Rule 8.08 of the Listing Rules are fulfilled by the Company upon completion of the Rights Issue. The Underwriter has undertaken, among other things, that it will not subscribe, for its own account and shall procure that no sub-underwriters or persons procured by it or them will apply for or take up, any Underwritten Shares if immediately afterwards the shareholding of the relevant person will be 10% or more of the voting rights of the Company and/or the subscription would result in an obligation to make a mandatory general offer for the Company under the Takeovers Code.

The Underwriter has confirmed to the Company that it has entered into sub-underwriting agreements with third parties that are independent of and not acting in concert (within the meaning of the Takeovers Code) with and not connected with the Company, any of the EE Directors or chief executive or substantial shareholders of the Company or their respective associates and that the terms of those sub-underwriting agreements are such that no sub-underwriter can be required to take up Rights Shares such that it will hold 10% or more of the shares in the Company in issue on completion of the Rights Issue. The Company will comply with the public float requirements under Rule 8.08 of the Listing Rules immediately after completion of the Rights Issue. At the Latest Practicable Date, to the best of the EE Directors' knowledge, information and belief having made all reasonable enquiries, (i) none of the sub-underwriters held any Shares; (ii) each of the sub-underwriters are independent of each other; (iii) save for the Underwriting Agreement and the sub-underwriting letters, there is no other agreements, arrangements or understandings entered into by the sub-underwriters and the Underwriter in relation to the Shares; and (iv) at the Latest Practicable Date, neither the Company nor the Underwriter were aware that any persons were acting in concert in relation to the Company (other than Easyknit and its subsidiaries) and the Company has no reason to believe that any person will incur an obligation to make a mandatory general offer for the Company under the Takeovers Code as a result of completion of the Rights Issue.

LETTER FROM THE EE BOARD

POSSIBLE ADJUSTMENTS TO THE CONVERTIBLE NOTES

As at the Latest Practicable Date, there were four (4) outstanding Convertible Notes. As a result of the Rights Issue, adjustment(s) may need to be made to the exercise price and other rights (if any) attached to the Convertible Notes. The Company will make further announcements accordingly.

REASONS FOR THE RIGHTS ISSUE AND THE USE OF PROCEEDS

The EE Group is principally engaged in property investment, property development, investment in securities and loan financing business.

Upon completion of the acquisition of the companies which hold the properties at Nos. 1B, 1C, 1D and 1E Davis Street, Kennedy Town, Hong Kong for a total acquisition cost of approximately HK\$782.9 million in late September 2019 and October 2019, the EE Group plans to commence the redevelopment of the Kennedy Town Properties in the 2nd quarter of 2020.

The EE Directors estimate that the redevelopment cost of the Kennedy Town Properties, at current prices, is approximately HK\$340 million. It covers the cost for consultancy fee, finance cost and works including planning, design, demolition, foundation, superstructure construction and interior fit-out for the Kennedy Town Properties.

As at 30 September 2019, the EE Group had unaudited cash and cash equivalents of approximately HK\$158.8 million, of which approximately RMB2.9 million (equivalent to approximately HK\$3.2 million at an exchange rate of HK\$1 to RMB0.9199) is tied up in the PRC as investment capital which it is not practical to transfer back to Hong Kong. Of the balance of approximately HK\$155.6 million, approximately HK\$55.0 million has been earmarked for the acquisition of Wing Cheong Factory Building and related planning and design costs for redevelopment; and approximately HK\$38.2 million retained for the investment in the limited partnership interests in Templewater I, L.P. (details of which could be found in the announcements of the Company dated 27 March 2019 and 10 May 2019 respectively), leaving a balance of approximately HK\$62.4 million. Such cash balance has been reserved for the repayment of bank loan principal, interests and other expenses of approximately HK\$67.3 million. As at 30 September 2019, the EE Group had a portfolio of investment securities with a fair value of approximately HK\$48.1 million. However, due to the net decrease in market value of securities investments, the EE Group would hold the securities as long-term investments, and there is no present plan on the timing of realisation of the securities (details of which could be found in the IR Report). The EE Directors will take into account individual and overall returns generated from the securities and general market conditions as well as the financial position of the EE Group when assessing and determining if and when to liquidate its investment securities.

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The EE Group expects to raise net proceeds of approximately HK\$353.9 million from the Rights Issue, after payment of expenses (equivalent to net proceeds of approximately HK\$0.475 per Rights Share).

The Company intends to apply approximately HK\$300.8 million out of the net proceeds from the Rights Issue to the projects as set out in the following table:

Project/Property	Purpose	Estimated costs <i>HK\$'million</i> <i>(approximately)</i>
Matheson Street Project	Construction cost for redevelopment	79.0
Huzhou Properties	Construction cost for the properties	25.0
Wing Cheong Factory Building	Preliminary cost (including planning, design and demolition cost)	22.1
Wing Cheong Factory Building	Additional acquisition cost for the remaining units	12.0
Kennedy Town Properties	Construction cost for redevelopment	15.8
Fung Wah Factorial Building	Acquisition cost for the remaining units	62.0
Potential acquisitions of new properties and other investments		80.0
Shortfall after repayment of bank loan principal, interests and other expenses <i>(Note)</i>		4.9
Net proceeds from the Rights Issue after deducting approximately HK\$53.1 million to be used as general working capital		300.8

Note: As abovementioned, the cash balance of approximately HK\$62.4 million will be used for repayment of bank loan principal, interests and other expenses, leaving a shortfall of approximately HK\$4.9 million which will be paid from the net proceeds from the Rights Issue.

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The remaining balance of approximately HK\$53.1 million will be used for general working capital of the EE Group.

Apart from the Rights Issue, the Company has also considered alternative fund-raising methods, such as bank financing and a private placing of equity. Secured bank borrowings are not available for that purpose because as at 30 November 2019, the EE Group has approximately HK\$984.8 million and HK\$2,455.4 million of investment properties and properties under development respectively, all of which (excluding the properties in the PRC) have been pledged to banks for securing mortgage and term loan facilities. The outstanding balance of all bank loans as at 30 November 2019 was approximately HK\$1,436.9 million. The Kennedy Town Properties are already mortgaged to the lender that part-financed the acquisition of the Kennedy Town Properties and not available as collateral for new debt for reasons that include the limitations imposed on banks by the Hong Kong Monetary Authority. As a result, limitations imposed on banks by the Monetary Authority, the EE Group was able to borrow only approximately 40% of the acquisition cost of the Kennedy Town Properties, i.e. HK\$280.8 million, and the shortfall of HK\$502.1 million was funded from internal resources. Even if secured debt financing were available, the EE Directors consider that it would incur comparatively higher financing costs and adversely affect gearing (in contrast to the Rights Issue, which will reduce gearing).

Typical additional unsecured financing quotations would require interest at floating rates based on interbank offered rates plus a margin of around 2.1%. Besides, increased debt will increase the EE Group liability and thereby further push up the gearing of the EE Group which the EE Directors do not consider desirable. In regard to a private placing of equity, the EE Directors are of the view that it would cause a material dilution effect to the shareholding of the existing Shareholders as it would involve the issue of a substantial amount of new Shares at a discount to external parties and the existing Shareholders would not have the opportunity to participate in the placing. The EE Board considers that the Rights Issue will allow the Company to strengthen its capital base without incurring interest costs and will give the Shareholders the opportunity to further invest in the equity of the Company at a favourable discount while maintaining their respective pro-rata shareholding interests and voting rights in the Company. Hence, the EE Board considers that fund raising of this scale through the Rights Issue is fair and reasonable in the best interests of the Company and the Shareholders as a whole.

LETTER FROM THE EE BOARD

FUND RAISING ACTIVITIES OF THE COMPANY FOR THE PAST TWELVE (12) MONTHS

The following table sets out the fund raising activities of the Company during the past twelve (12) months immediately preceding the Latest Practicable Date:

Date	Fund raising activity	Net proceeds (approximately)	Proposed use of proceeds	Actual use of proceeds
17 June 2019 (announcement) and 2 August 2019 (circular)	Issue of 3% Convertible Note due 2024 (being one of the Goodco Convertible Notes) for HK\$70 million issued on 28 August 2019 under specific mandate at the special general meeting on 21 August 2019	HK\$69.5 million	For finance for the acquisition of the remaining units and redevelopment of Wing Cheong Factory Building, and the acquisition of the Kennedy Town Properties, as well as future projects, and general working capital of the EE Group	Retained for finance for the acquisition of the remaining units and redevelopment of Wing Cheong Factory Building, and the acquisition of the Kennedy Town Properties and general working capital of the EE Group

BUSINESS REVIEW OF THE EE GROUP

During the six months ended 30 September 2019 (the “**Period**”), the EE Group was principally engaged in the property development, property investment, comprising the ownership and rental of investment properties, investment in securities and loan financing business. The EE Group’s unaudited consolidated loss attributable to the Shareholders for the Period was approximately HK\$12,369,000 as compared to consolidated loss of approximately HK\$39,592,000 for the corresponding period in 2018. The decrease in loss was mainly attributable to the increase in rental income, gain on disposal of subsidiaries and the decrease in loss on changes in fair value of financial assets at fair value through profit or loss during the Period. Such decrease in loss was partially offset by the net loss on modification of terms of the Madian Star Convertible Note as well as the impairment loss on properties held for development for sale during the Period. Further information could be found in the IR Report.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to the Prospectus.

LETTER FROM THE EE BOARD

WARNING OF THE RISK OF DEALING IN THE SHARES AND THE RIGHTS SHARES

The Shares have been dealt with on an ex-rights basis from 9:00 a.m. on Thursday, 9 January 2020. Dealings in the Rights Shares in their nil-paid form are expected to take place from 9:00 a.m. on Monday, 20 January 2020 to 4:10 p.m. on Wednesday, 29 January 2020 (both dates inclusive). If the conditions of the Rights Issue are not fulfilled or the Underwriting Agreement is terminated, the Rights Issue will not proceed.

Any Shareholder(s) or other persons dealing in the Shares up to the date on which all the conditions to which the Rights Issue is subject to are fulfilled (and the date on which the Underwriter's right of termination of the Underwriting Agreement ceases) and any persons dealing in the nil-paid Rights Shares during the period from 9:00 a.m. on Monday, 20 January 2020 to 4:10 p.m. on Wednesday, 29 January 2020 (both dates inclusive) will bear the risk that the Rights Issue may not become unconditional and may not proceed.

Any party who is in any doubt about his/her/its position or any action to be taken is recommended to consult his/her/its own professional adviser(s).

Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

Yours faithfully,
For and on behalf of
EMINENCE ENTERPRISE LIMITED
Kwong Jimmy Cheung Tim
Chairman and Chief Executive Officer

1. DIRECTORS**Particulars of Directors**

Name	Address
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Executive Directors

Kwong Jimmy Cheung Tim	Block A, 7th Floor, Hong Kong Spinners Building, Phase 6, 481–483 Castle Peak Road, Cheung Sha Wan, Kowloon, Hong Kong
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Lui Yuk Chu	Block A, 7th Floor, Hong Kong Spinners Building, Phase 6, 481–483 Castle Peak Road, Cheung Sha Wan, Kowloon, Hong Kong
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Independent Non-executive Directors

Kan Ka Hon	Block A, 7th Floor, Hong Kong Spinners Building, Phase 6, 481–483 Castle Peak Road, Cheung Sha Wan, Kowloon, Hong Kong
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Lau Sin Ming	Block A, 7th Floor, Hong Kong Spinners Building, Phase 6, 481–483 Castle Peak Road, Cheung Sha Wan, Kowloon, Hong Kong
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Wu Koon Yin Welly	Block A, 7th Floor, Hong Kong Spinners Building, Phase 6, 481–483 Castle Peak Road, Cheung Sha Wan, Kowloon, Hong Kong
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Executive Directors***Mr. Kwong Jimmy Cheung Tim (Chairman and Chief Executive Officer)***

Mr. Kwong Jimmy Cheung Tim, aged 77, is an executive director, chairman, chief executive officer and authorised representative of the Company and chairman of the executive committee of the Company. Mr. Kwong graduated from The University of Hong Kong in 1965 and was admitted as Barrister-at-Law in the United Kingdom in 1970 and in Hong Kong in 1973 respectively. He has over 30 years of experience in the legal field. He serves as director of various subsidiaries of the Company. Mr. Kwong was appointed to the EE Board as an independent non-executive director in 2003, and was subsequently re-designated as an executive director in 2007. In 2007, Mr. Kwong was appointed as chairman and chief executive officer of the Company.

Ms. Lui Yuk Chu (Deputy Chairman)

Ms. Lui Yuk Chu, aged 62, is an executive director and deputy chairman of the Company and a member of the executive committee of the Company. She is also an executive director and vice president, and a member of the executive committee of Easyknit. Ms. Lui has been involved in the textiles industry for over 30 years and has extensive experience in design, manufacturing, marketing and distribution of apparel. She serves as director of various subsidiaries of the Company and Easyknit. Ms. Lui was appointed to the EE Board as an executive director in 2003 and was appointed as deputy chairman in 2006.

Independent Non-executive Directors***Mr. Kan Ka Hon***

Mr. Kan Ka Hon, aged 68, has been an independent non-executive director of the Company since 2003. He is also a member and chairman of the audit committee, a member of the remuneration committee and nomination committee of the Company. He holds a Bachelor's Degree in Science from The University of Hong Kong and is a fellow member of The Association of Chartered Certified Accountants and a member of The Hong Kong Institute of Certified Public Accountants. He has over 30 years of experience in accounting and finance. Mr. Kan is also an independent non-executive director of Victory City International Holdings Limited (Stock Code: 0539).

Mr. Lau Sin Ming

Mr. Lau Sin Ming, aged 58, has been an independent non-executive director of the Company since 2004. He is also a member and chairman of the remuneration committee of the Company, a member of the audit committee and nomination committee of the Company. He is a fellow member of The Association of Chartered Certified Accountants and a member of The Hong Kong Institute of Certified Public Accountants. He has over 30 years of experience in accounting and auditing.

Mr. Wu Koon Yin Welly

Mr. Wu Koon Yin Welly, aged 34, was appointed as an independent non-executive director of the Company on 1 January 2017. He is also a member and chairman of the nomination committee of the Company and a member of the audit committee and remuneration committee of the Company. Mr. Wu holds a Master in Finance degree from the University of Essex, England, and a Bachelor of Commerce degree from the University of Sydney, Australia. Mr. Wu is the Vice President of Sales in FXCM, a provider of online foreign exchange (FX) trading, CFD trading, spread betting and related services. Mr. Wu has over 11 years of experience in the brokerage industry.

2. CORPORATE INFORMATION

Registered office	Clarendon House 2 Church Street Hamilton HM 11 Bermuda
Principal place of business	Block A, 7th Floor Hong Kong Spinners Building, Phase 6 481–483 Castle Peak Road Cheung Sha Wan, Kowloon Hong Kong
Company secretary	Lee Po Wing (<i>LL.B.</i>)
Authorised representatives	Kwong Jimmy Cheung Tim Lui Yuk Chu
Legal advisers to the Company	<i>As to Hong Kong law:</i> David Norman & Co. 22B Man On Commercial Building 12–13 Jubilee Street Central Hong Kong <i>As to Bermuda law:</i> Conyers Dill & Pearman 29th Floor, One Exchange Square 8 Connaught Place Central Hong Kong
Auditor	Deloitte Touche Tohmatsu <i>Certified Public Accountants</i> 35th Floor, One Pacific Place 88 Queensway Hong Kong
Branch share registrar and transfer office in Hong Kong	Tricor Secretaries Limited Level 54, Hopewell Centre 183 Queen's Road East Hong Kong

Principal share registrar and transfer office in Bermuda	MUFG Fund Services (Bermuda) Limited 4th Floor North Cedar House 41 Cedar Avenue Hamilton HM 12 Bermuda
Principal banker	Hang Seng Bank Limited 83 Des Voeux Road Central Hong Kong

3. SHARE CAPITAL

The authorised and issued share capital of the Company (i) as at the Latest Practicable Date; and (ii) immediately following the completion of the Rights Issue were and will be as follows:

(i) As at the Latest Practicable Date

<i>Authorised:</i>		<i>HK\$</i>
<u>1,000,000,000</u> Shares		<u>200,000,000.00</u>
<i>Issued and fully-paid:</i>		<i>HK\$</i>
<u>186,291,602</u> Shares		<u>37,258,320.40</u>

(ii) Immediately following the completion of the Rights Issue (assuming no issue of new Shares and no repurchase of Shares up to completion of the Rights Issue, save for the Rights Shares)

<i>Authorised:</i>		<i>HK\$</i>
<u>1,000,000,000</u> Shares		<u>200,000,000.00</u>
<i>Issued and fully-paid:</i>		<i>HK\$</i>
186,291,602	Shares in issue immediately before completion of the Rights Issue	37,258,320.40
745,166,408	Rights Shares to be allotted and issued upon completion of the Rights Issue	149,033,281.60
<u>931,458,010</u>	Shares in issue immediately after completion of the Rights Issue	<u>186,291,602.00</u>

- (iii) **Immediately following completion of the Rights Issue (assuming no repurchase of Shares up to completion of the Rights Issue and full exercise of the Madian Star Convertible Note before the Record Date and no issue of new Shares, save for the Rights Shares)**

Authorised: *HK\$*

<u>1,000,000,000</u>	Shares	<u>200,000,000.00</u>
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Issued and fully-paid: *HK\$*

219,958,269	Shares in issue immediately before completion of the Rights Issue	43,991,653.80
879,833,072	Rights Shares to be allotted and issued in the Rights Issue	175,966,614.40
1,099,791,341	Shares in issue immediately upon completion of the Rights Issue	219,958,268.20

All of the Shares and the Rights Shares in issue and to be issued (when fully paid) rank and will rank *pari passu* with each other in all respects, including, in particular, as to dividends, voting rights and return of capital. The Shares and Rights Shares are or will be listed on the main board of the Stock Exchange.

No part of the share capital or any other securities of the Company is listed or dealt in on any stock exchange other than the Stock Exchange and no application is being made or is currently proposed or sought for the Shares or Rights Shares or any other securities of the Company to be listed or dealt in on any other stock exchange.

Save for the outstanding Convertible Notes, entitling the holders thereof to subscribe for an aggregate of 111,703,029 Shares, as at the Latest Practicable Date, the Company did not have any derivatives, options, warrants and conversion rights or other similar rights that are convertible or exchangeable into Shares.

APPENDIX II FINANCIAL INFORMATION OF THE EE GROUP

1. FINANCIAL SUMMARY OF THE EE GROUP

Below are the details of the last three published annual reports and its most recent IR Report showing the financial information of the EE Group:

For the six months ended	Publication date of IR Report	Pages
30 September 2019	12 December 2019	43–140
https://www1.hkexnews.hk/listedco/listconews/sehk/2019/1212/2019121200506.pdf		
For the year ended	Publication date of annual report	Pages
31 March 2019	20 June 2019	67–189
https://www1.hkexnews.hk/listedco/listconews/sehk/2019/0620/ltn20190620297.pdf		
31 March 2018	22 June 2018	51–149
https://www1.hkexnews.hk/listedco/listconews/sehk/2018/0622/ltn20180622291.pdf		
31 March 2017	15 June 2017	74–193
https://www1.hkexnews.hk/listedco/listconews/sehk/2017/0615/ltn20170615234.pdf		

The management discussion and analysis of the Company for the three years ended 31 March 2017, 2018 and 2019 and the six months ended 30 September 2019 are disclosed in the published annual reports of the Company and the IR Report respectively for the relevant periods.

2. WORKING CAPITAL

The EE Directors are of the opinion that, after taking into account the present available financial resources and the estimated net proceeds from Rights Issue, the EE Group has sufficient working capital available for its requirements for at least the next twelve (12) months from the date of the Prospectus.

3. INDEBTEDNESS

(a) Borrowings

As at the close of business on 30 November 2019, being the latest practicable date for the purpose of determining the indebtedness of the EE Group prior to the printing of the Prospectus, the EE Group had outstanding bank borrowings of approximately HK\$1,436,886,000, which were secured by the EE Group's properties with an aggregate net book value of approximately HK\$984,774,000 (investment properties) and approximately HK\$2,455,422,000 (properties held for development for sale) respectively and all bank borrowings were guaranteed by the Company.

(b) Convertible Notes

Below are all the Convertible Notes of the EE Group as at the Latest Practicable Date, all of which are unguaranteed and unsecured.

2015CB

The Company on 26 May 2015 entered into a subscription agreement in relation to the issue of a 3% per annum coupon rate convertible note to Madian Star in the principal amount of HK\$86,000,000, conferring rights to convert at any time before 12 June 2022 the principal amount into Shares at a conversion price which is currently HK\$1.20 per Share. The outstanding amount of that convertible note as at the Latest Practicable Date was HK\$40,400,000.

2017CB1

The Company on 1 March 2017 entered into a subscription agreement in relation to the issue of a 3% per annum coupon rate convertible note to Goodco in the principal amount of HK\$16,000,000, conferring rights to convert at any time before 11 May 2022 the principal amount into Shares at a conversion price which is currently HK\$3.20 per Share. The outstanding amount of that convertible note as at the Latest Practicable Date was HK\$16,000,000.

2017CB2

The Company on 7 August 2017 entered into a subscription agreement in relation to the issue of a 3% per annum coupon rate convertible note to Goodco in the principal amount of HK\$28,200,000, conferring rights to convert at any time before 26 September 2020 the principal amount into Shares at a conversion price which is currently HK\$1.20 per Share. The outstanding amount of that convertible note as at the Latest Practicable Date was HK\$11,280,000.

2019CB

The Company on 17 June 2019 entered into a subscription agreement in relation to the issue of a 3% per annum coupon rate convertible note to Goodco in the principal amount of HK\$70,000,000, conferring rights to convert at any time before 28 August 2024 the principal amount into Shares at a conversion price which is currently HK\$1.10 per Share.

Apart from as disclosed above and intra-group liabilities, the EE Group did not have any debt securities authorised or created by unissued, issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances (other than normal trade bills) or acceptance credits, debentures, mortgages, charges, finance leases, hire purchase commitments, guaranteed, unguaranteed, secured and unsecured borrowing and debt, or other material contingent liabilities as at the close of business on 30 November 2019.

4. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the EE Directors were not aware of any material adverse change in the financial or trading position of the EE Group since 31 March 2019, being the date to which the latest published audited consolidated financial statements of the EE Group were made up.

5. FINANCIAL AND TRADING PROSPECTS OF THE EE GROUP

As mentioned in the annual report of the Company for the year ended 31 March 2019, the EE Group will continue focusing its efforts in the development of its existing principal businesses: property development, property investment, securities investment, loan financing business and other potential projects with a view to providing steady returns for the Shareholders and bring increased growth to the EE Group.

Given the softening global economic growth, trade war between US and China and technology disputes, Hong Kong's equity and financial environment will continue to be affected. Although the trade war is not expected to be resolved in the near future, the EE Group is prudently optimistic about the prospects of the property and securities market in Hong Kong and believes these markets will continue to grow over the longer term.

In line with its investment strategy and policy, the Company will continue to identify appropriate investment and divestment opportunities that fit the objective and investment criteria of the Company, and will continue to seek opportunities to replenish its property portfolio as an ongoing business exercise. The EE Board would exercise utmost caution, so as to bring positive impact on the operating and financial results to the Company in the foreseeable future.

APPENDIX III UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE EE GROUP UPON COMPLETION OF THE RIGHTS ISSUE

A. STATEMENT OF UNAUDITED PRO FORMA ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS

The statement of unaudited pro forma adjusted consolidated net tangible assets of the Group prepared in accordance with Paragraph 13 of Appendix 1B and Paragraph 29 of Chapter 4 of the Listing Rules is set out below to illustrate the effects of the Rights Issue on the consolidated net tangible assets of the Group as if the Rights Issue had taken place on 31 March 2019.

The statement of unaudited pro forma adjusted consolidated net tangible assets of the Group has been prepared for illustrative purposes only, based on the judgements and assumptions of the Directors of the Company, and because of its hypothetical nature, may not give a true picture of the financial position of the Group following the Rights Issue.

The following statement of unaudited pro forma adjusted consolidated net tangible assets of the Group is based on the audited consolidated net tangible assets of the Group as at 31 March 2019, adjusted as described below:

Based on 745,166,408 Rights Shares to be issued	Audited consolidated net tangible assets of the Group attributable to owners of the Company as at 31 March 2019 <i>(Note 1)</i> <i>HK\$'000</i>	Estimated net proceeds from the Rights Issue <i>(Note 2)</i> <i>HK\$'000</i>	Unaudited pro forma adjusted consolidated net tangible assets of the Group as at 31 March 2019 <i>HK\$'000</i>	Audited consolidated net tangible assets per Share before completion of the Rights Issue <i>(Note 3)</i>	Unaudited pro forma adjusted consolidated net tangible assets per Share immediately after completion of the Rights Issue <i>(Note 4)</i>
	2,734,170	354,215	3,088,385	HK\$14.677	HK\$3.316

Notes:

1. The audited consolidated net tangible assets of the Group attributable to the owners of the Company as at 31 March 2019 are based on the consolidated net assets in the audited consolidated statement of financial position of the Group as at 31 March 2019.
2. The estimated net proceeds from the Rights Issue are after deduction of the estimated underwriting commission and other share issue related expenses payable by the Company of approximately HK\$5,700,000.
3. The number of Shares used for the calculation of this amount is 186,291,602, representing the number of Shares in issue as at Latest Practicable Date.
4. The number of Shares used for the calculation of this amount is 931,458,010, representing 186,291,602 Shares and 745,166,408 Rights Shares.
5. No adjustments have been made to reflect any trading results or other transactions of the Group entered into subsequent to 31 March 2019.

APPENDIX III UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE EE GROUP UPON COMPLETION OF THE RIGHTS ISSUE

B. ACCOUNTANT’S REPORT ON UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following is the text of a report, prepared for the sole purpose of inclusion in this Prospectus, from the independent reporting accountant, ZHONGHUI ANDA CPA Limited, Certified Public Accountants, Hong Kong.



16 January 2020

The Board of Directors
Eminence Enterprise Limited

Dear Sirs,

We have completed our assurance engagement to report on the compilation of pro forma financial information of Eminence Enterprise Limited (the “**Company**”) and its subsidiaries (hereinafter collectively referred to as the “**Group**”) by the directors of the Company (the “**Directors**”) for illustrative purposes only. The pro forma financial information consists of the pro forma adjusted consolidated net tangible assets as at 31 March 2019 as set out on page III-1 of the prospectus issued by the Company dated 16 January 2020 (the “**Prospectus**”). The applicable criteria on the basis of which the Directors have compiled the pro forma financial information are described in Part A of Appendix III of the Prospectus.

The pro forma financial information has been compiled by the Directors to illustrate the impact of the Rights Issue on the Group’s net tangible assets as at 31 March 2019 as if the transaction had been taken place at 31 March 2019. As part of this process, information about the Group’s net tangible assets has been extracted by the Directors from the Group’s consolidated financial statements as included in the annual report for the year ended 31 March 2019, on which an audit report has been published.

Directors’ Responsibility for the Pro Forma Financial Information

The Directors are responsible for compiling the pro forma financial information in accordance with paragraph 13 of Appendix 1B and paragraph 29 of Chapter 4 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and with reference to Accounting Guideline (“**AG**”) 7 “Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars” issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”).

Our Independence and Quality Control

We have complied with the independence and other ethical requirement of the Code of Ethics for Professional Accountants issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

APPENDIX III UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE EE GROUP UPON COMPLETION OF THE RIGHTS ISSUE

The firm applies Hong Kong Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountant’s Responsibilities

Our responsibility is to express an opinion, as required by paragraph 29(7) of Chapter 4 of the Listing Rules, on the pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 “Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Circular” issued by the HKICPA. This standard requires that the reporting accountant plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the pro forma financial information in accordance with paragraph 29 of Chapter 4 of the Listing Rules and with reference to AG 7 “Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars” issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma financial information.

The purpose of pro forma financial information included in the Prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 31 March 2019 would have been as presented.

A reasonable assurance engagement to report on whether the pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

**APPENDIX III UNAUDITED PRO FORMA FINANCIAL INFORMATION OF
THE EE GROUP UPON COMPLETION OF THE RIGHTS ISSUE**

The procedures selected depend on the reporting accountant’s judgment, having regard to the reporting accountant’s understanding of the nature of the Group, the event or transaction in respect of which the pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We make no comments regarding the reasonableness of the amount of net proceeds from the Rights Issue, the application of those net proceeds, or whether such use will actually take place as described under “Reasons for the Rights Issue and the use of proceeds” set out on pages 23 to 25 of the Prospectus.

Opinion

In our opinion:

- (a) the pro forma financial information has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the pro forma financial information as disclosed pursuant to paragraph 29(1) of Chapter 4 of the Listing Rules.

Yours faithfully,

ZHONGHUI ANDA CPA Limited
Certified Public Accountants
Pang Hon Chung
Practising Certificate Number P05988
Hong Kong

1. RESPONSIBILITY STATEMENT

The Prospectus Documents, for which the EE Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The EE Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in the Prospectus Documents is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or the Prospectus Documents misleading.

2. DISCLOSURE OF INTERESTS

(a) Interests of Directors and Chief Executive of the Company

As at the Latest Practicable Date, the interests and short positions of the EE Directors and chief executive of the Company or their respective associates in the Shares, underlying Shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which (i) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of the SFO); or (ii) were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (iii) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers of the Listing Rules (the “**Model Code**”) were as follows:

Long positions in the Shares and underlying Shares of the Company

Name of EE Director	Capacity	Number of ordinary Shares held	Number of underlying Shares held	Total	Approximate percentage of the total issued Shares
Lui Yuk Chu	Interest of controlled corporation (<i>Note</i>)	36,966,533	78,036,363	115,002,896	61.73%

Note: In the 36,966,533 Shares, 4,677,474 Shares and 32,289,059 Shares are registered in the name of and beneficially owned by Landmark Profits and Goodco respectively, both of which are wholly-owned subsidiaries of Easyknit. Sea Rejoice Limited is interested in approximately 19.09% of the total number of issued shares of Easyknit and it is wholly-owned by Ms. Lui Yuk Chu, an EE Director. As for the 78,036,363 underlying Shares, they comprise of (i) 5,000,000 Shares (subject to adjustment) to be issued upon the full conversion of a Convertible Note held by Goodco and convertible into Shares; (ii) 9,400,000 Shares (subject to adjustment) to be issued upon the full conversion of another Convertible Note held by Goodco and convertible into Shares; and (iii) 63,636,363 Shares (subject to adjustment) to be issued upon the full conversion of a third Convertible Note held by Goodco and convertible into Shares.

Save as disclosed above, as at the Latest Practicable Date, none of the EE Directors or chief executive of the Company had any interests or short positions in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company under Section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

(b) Substantial Shareholders' interest in the Shares and underlying Shares

As at the Latest Practicable Date, so far as is known to the EE Directors and the chief executive of the Company, the interests and short positions of the persons or corporations other than a EE Director or chief executive of the Company, in the Shares or underlying Shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Name of substantial shareholder	Notes	Capacity	Number of Shares held	Number of underlying Shares held	Total	Approximate percentage of the total issued Shares
Koon Wing Yee	<i>i</i>	Interest of spouse	36,966,533	78,036,363	115,002,896	61.73%
Goodco	<i>i & iv</i>	Beneficial owner	32,289,059	78,036,363	110,325,422	59.22%
Easyknit	<i>i & iv</i>	Interest of controlled corporation	36,966,533	78,036,363	115,002,896	61.73%
Magical Profits Limited	<i>i & iv</i>	Interest of controlled corporation	36,966,533	78,036,363	115,002,896	61.73%
Accumulate More Profits Limited	<i>i</i>	Interest of controlled corporation	36,966,533	78,036,363	115,002,896	61.73%
The Winterbotham Trust Company Limited	<i>i & ii</i>	Trustee	36,966,533	78,036,363	115,002,896	61.73%
Winterbotham Holdings Limited	<i>i & ii</i>	Interest of controlled corporation	36,966,533	78,036,363	115,002,896	61.73%
Markson International Holding Limited	<i>i & ii</i>	Interest of controlled corporation	36,966,533	78,036,363	115,002,896	61.73%
Christopher Geoffrey Douglas Hooper	<i>i & ii</i>	Interest of controlled corporation	36,966,533	78,036,363	115,002,896	61.73%
Ivan Geoffrey Douglas Hooper	<i>i & ii</i>	Interest of controlled corporation	36,966,533	78,036,363	115,002,896	61.73%
Sea Rejoice Limited	<i>i & iv</i>	Interest of controlled corporation	36,966,533	78,036,363	115,002,896	61.73%
Madian Star	<i>iii</i>	Beneficial owner	6,250,000	33,666,666	39,916,666	21.43%
Hu Rong		Beneficial owner	44,125,500	–	44,125,500	23.69%

Notes:

- i. Of the 36,966,533 Shares, 4,677,474 Shares and 32,289,059 Shares are registered in the name of and beneficially owned by Landmark Profits and Goodco respectively, both of which are wholly-owned subsidiaries of Easyknit. Sea Rejoice Limited, which is wholly-owned by Ms. Lui Yuk Chu, an EE Director, is interested in approximately 19.09% of the issued share capital of Easyknit. Magical Profits Limited is interested in approximately 31.95% of the issued share capital of Easyknit. Magical Profits Limited is wholly-owned by Accumulate More Profits Limited which in turn is wholly-owned by The Winterbotham Trust Company Limited as the trustee of The Magical 2000 Trust (the beneficiaries of which include Ms. Lui Yuk Chu's family members other than herself and her spouse). The 78,036,363 underlying Shares comprise of (i) 5,000,000 Shares (subject to adjustment) to be issued upon the full conversion of a Convertible Note held by Goodco and convertible into Shares; (ii) 9,400,000 Shares (subject to adjustment) to be issued upon the full conversion of another Convertible Note held by Goodco and convertible into Shares; and (iii) 63,636,363 Shares (subject to adjustment) to be issued upon the full conversion of another Convertible Note held by Goodco and convertible into Shares. Ms. Lui Yuk Chu is the spouse of Mr. Koon Wing Yee. By virtue of the SFO, Mr. Koon Wing Yee, being the spouse of Ms. Lui Yuk Chu, is deemed to be interested in the 36,966,533 Shares and the 78,036,363 underlying Shares in which Ms. Lui Yuk Chu is interested.
- ii. The Winterbotham Trust Company Limited is trustee of The Magical 2000 Trust (the beneficiaries of which include Ms. Lui Yuk Chu's family members (who are not immediate family members as defined under the Listing Rules) other than herself and her spouse). The Winterbotham Trust Company Limited is owned as to 75% by Winterbotham Holdings Limited ("**Winterbotham Holdings**") and 25% by Markson International Holding Limited ("**Markson**") respectively. Winterbotham Holdings is owned as to approximately 99.99% by Mr. Christopher Geoffrey Douglas Hooper. Approximately 99.99% of Markson is owned by Mr. Ivan Geoffrey Douglas Hooper.
- iii. The 33,666,666 underlying Shares are the convertible Shares to be issued (subject to adjustment) upon the full conversion of the Madian Star Convertible Note.
- iv. Ms. Lui Yuk Chu, an EE Director, is also a director of Goodco, Easyknit, Magical Profits Limited and Sea Rejoice Limited.

Save as disclosed above, as at the Latest Practicable Date, the EE Directors and chief executive of the Company were not aware of any other persons who had an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were required to be recorded in the register kept by the Company under Section 336 of the SFO.

Apart from Ms. Lui Yuk Chu, no EE Director is also a director or employee of any substantial shareholder of the Company.

3. EE DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the EE Directors had any existing and proposed service contract with any members of the EE Group other than contracts expiring or determinable by the relevant member of the EE Group within one year without payment of compensation (other than statutory compensation).

4. DIRECTORS' INTEREST IN CONTRACTS AND ASSETS

As at the Latest Practicable Date, none of the EE Directors had any direct or indirect interest in any assets which have been acquired, disposed of or leased to or which are proposed to be acquired, disposed of or leased to any member of the EE Group since 31 March 2019, being the date to which the latest published audited accounts of the Company were made up.

As at the Latest Practicable Date, none of the EE Directors was materially interested in any contract or arrangement subsisting at the date of the Prospectus which is significant in relation to the business of the EE Group.

5. EE DIRECTORS' INTEREST IN COMPETING BUSINESS

Name of director	Name of company	Nature of competing business	Nature of interest
Lui Yuk Chu	Easyknit	Property investment, property development, security investment and loan financing	Director of Easyknit and substantial shareholder of Easyknit

Save as disclosed in the Prospectus, at the Latest Practicable Date, none of the EE Directors or their respective associates was interested in any business which competes or is likely to compete, either directly or indirectly, with the business of the EE Group as required to be disclosed pursuant to the Listing Rules.

6. LITIGATION

As at the Latest Practicable Date, none of the members of the EE Group was engaged in any litigation or arbitration of material importance and no litigation or claim of material importance was known to the EE Directors to be pending or threatened against any member of the EE Group.

7. MATERIAL CONTRACTS

Save as disclosed below, there are no material contracts (not being contracts entered into in the ordinary course of business) which have been entered into by any member of the EE Group within the two years immediately preceding and including the Latest Practicable Date:

- (a) a conditional sale and purchase agreement dated 19 November 2018 entered into between Kingbest Capital Holdings Limited (a wholly-owned subsidiary of the Company), as seller, and Gold Anchor Developments Limited (a wholly-owned subsidiary of Easyknit), as purchaser, in relation to a company that owns the property known as Nos. 14–20 Inverness Road, Kowloon, Hong Kong registered in the Land Registry as New Kowloon Inland Lot No. 6573 for a consideration of HK\$1,035,000,000;

- (b) a conditional sale and purchase agreement dated 19 November 2018 entered into between Easyknit Properties Holdings Limited (a wholly-owned subsidiary of Easyknit), as seller, and Sonic Hover Limited (a wholly-owned subsidiary of the Company), as buyer, in relation to a company (the “**Easyknit Sale Company**”) that owns the property known as Easy Tower, No. 609 Tai Nan West Street, Cheung Sha Wan, Kowloon, Hong Kong registered in the Land Registry as New Kowloon Inland Lot No. 6238 by a consideration of HK\$470,000,000;
- (c) a property management agreement dated 8 March 2019 entered into between UrbanMode (HK) Limited, a wholly-owned subsidiary of Easyknit, as manager, and the Easyknit Sale Company, as registered owner, for the management of Easy Tower by UrbanMode (HK) Limited;
- (d) a subscription agreement dated 26 March 2019 entered into by between a wholly-owned subsidiary of the Company and Templewater I, G.P in relation to the subscription of the limited partnership interests in a limited partnership with a capital commitment of US\$5 million;
- (e) a third deed of amendment (“**Third Deed**”) dated 26 March 2019 entered into between the Company and Madian Star in relation to the alteration of the subscription price under a convertible note held by Madian Star and convertible into Shares;
- (f) a fourth deed of amendment dated 8 April 2019 entered into between the Company and Madian Star in relation to the termination and replacement of the Third Deed, alteration of the subscription price under a convertible note held by Madian Star and convertible into Shares and imposition of restrictions on conversions that would lead to an offer being required under Rule 26 of the Takeovers Code and/or the Company breaching the public float requirement under the Listing Rules;
- (g) a sale and purchase agreement dated 24 May 2019 entered into between Lion Capital Investment Limited (a wholly-owned subsidiary of the Company) as seller and Create Success Investments Limited as purchaser in relation to the sale and purchase of the shares of certain wholly-owned subsidiaries of the Company, which own office units 01, 02, 03, 05, 06, 07, 08 and 09 on the 12th Floor and carparking spaces numbers 329, 330 and 331 on the 3rd Floor of Capital Centre, No. 151 Gloucester Road, Hong Kong, and a related loan;
- (h) the subscription agreement dated 17 June 2019 between the Company and Goodco relating to the issue by the Company and subscription by Goodco of a Goodco Convertible Note;
- (i) a sale and purchase agreement dated 9 July 2019 entered into between Above Ace Limited, a wholly-owned subsidiary of the Company, as buyer and Ng Kwai Tung, as seller, in relation to the sale and purchase of Real Supreme Limited and Extra Glory Limited and their respective shareholders’ loans; and
- (j) the Underwriting Agreement.

8. EXPERT AND CONSENT

The following is the qualification of the expert or professional adviser who has been named in the Prospectus or has given its opinions or advice contained in the Prospectus:

Name	Qualification
ZHONGHUI ANDA CPA Limited	Certified Public Accountants

As at the Latest Practicable Date, the above expert did not have:

- (a) any direct or indirect interest in any assets which have been, since 31 March 2019 (being the date to which the latest published audited accounts of the Company were made up), acquired or disposed of by or leased to any member of the EE Group, or are proposed to be acquired or disposed of by or leased to any member of the EE Group; and
- (b) any shareholding in any member of the EE Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the EE Group.

The above expert has given and has not withdrawn its written consents to the issue of the Prospectus with the inclusion of its letters and the references to its name in the form and context in which they appear.

9. EXPENSES

The expenses in connection with the Rights Issue, including financial advisory fees, independent financial adviser fees, underwriting commission, printing, registration, translation and legal and accountancy charges are estimated to be approximately HK\$6.0 million, and are payable by the Company.

10. BINDING EFFECT

The Prospectus Documents, and all acceptances of any offer or application contained in such documents, are governed by and shall be construed in accordance with the laws of Hong Kong. Where an application is made in pursuance of any such documents, the relevant document(s) shall have the effect of rendering all persons concerned bound by the provisions, other than the penal provisions, of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, so far as applicable.

11. GENERAL

- (a) The company secretary of the Company is Mr. Lee Po Wing, a practising solicitor since 1994;
- (b) the registered office of the Company is at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda and the principal place of business of the Company in Hong Kong is at Block A, 7th Floor, Hong Kong Spinners Building, Phase 6, 481–483 Castle Peak Road, Cheung Sha Wan, Kowloon, Hong Kong;
- (c) the Hong Kong branch share registrar and transfer office of the Company is Tricor Secretaries Limited at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong; and
- (d) the English texts of the Prospectus Documents prevail over the Chinese texts.

12. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

A copy of each of the Prospectus Documents and the written consent as referred to under the paragraph headed “Expert and Consent” in this Appendix, have been registered by the Registrar of Companies in Hong Kong pursuant to Section 342C of the Companies (Winding up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong).

13. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours at the Company’s principal place of business in Hong Kong at Block A, 7th Floor, Hong Kong Spinners Building, Phase 6, 481–483 Castle Peak Road, Cheung Sha Wan, Kowloon, Hong Kong during the period of 14 days from the date of the Prospectus:

- (a) the memorandum of association and bye-laws of the Company;
- (b) the annual reports of the Company for the three years ended 31 March 2017, 2018 and 2019 and the IR Report;
- (c) the written consent referred to in the paragraph headed “Expert and Consent” to this Appendix;
- (d) the material contracts referred to in the paragraph headed “Material Contracts” to this Appendix;
- (e) the unaudited pro forma financial information of the EE Group as set out in Appendix III to the Prospectus;
- (f) the letter from ZHONGHUI ANDA CPA Limited, the reporting accountant, in respect of the unaudited pro forma statement of the adjusted consolidated net tangible assets of the EE Group, the text of which is set out in Appendix III to the Prospectus;
- (g) the Circular; and
- (h) the Prospectus.