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## **JOINT ANNOUNCEMENT**



**EASYKNIT INTERNATIONAL  
HOLDINGS LIMITED**  
永義國際集團有限公司  
*(Incorporated in Bermuda with limited liability)*  
**(Stock Code: 1218)**



**EMINENCE ENTERPRISE LIMITED**  
高山企業有限公司  
*(Incorporated in Bermuda with limited liability)*  
**(Stock Code: 616)**

### **PROPOSED ALTERATION OF TERMS OF THE GOODCO CONVERTIBLE NOTES**

**DISCLOSEABLE TRANSACTION**

**CONNECTED TRANSACTION  
AND**

**PROPOSED GRANT OF SPECIFIC MANDATE  
TO ISSUE CONVERSION SHARES**

#### **DEEDS OF AMENDMENT AND PROPOSED ALTERATION**

On 18 September 2020 (after trading hours), Eminence and the Noteholder entered into the Deeds of Amendment in respect of the Proposed Alteration, pursuant to which both parties agreed that the Conversion Price of the Goodco Convertible Notes will be revised to HK\$0.25 per Conversion Share (subject to adjustment) and, the maturity date of the Goodco Convertible Notes will be extended to 28 August 2024 upon the Deeds of Amendment becoming unconditional.

Save for the above Proposed Alteration, all other terms and conditions of the Goodco Convertible Notes shall remain unchanged.

The Proposed Alteration is subject to the conditions precedent set out in the paragraph headed “Conditions precedent” below.

The allotment and issue of the Conversion Shares after the Proposed Alteration will be made under the Specific Mandate to be sought from the Eminence Independent Shareholders at the SGM.

## **LISTING RULES IMPLICATIONS**

### *Eminence*

According to Rule 28.05 of the Listing Rules, any alterations in the terms of convertible debt securities after issue must be approved by the Stock Exchange, except where the alterations take effect automatically under the existing terms of such convertible debt securities. An application for the approval of the Proposed Alteration will be submitted to the Stock Exchange.

As at the date of this announcement, the Noteholder is an indirect wholly-owned subsidiary of Easyknit. Easyknit, through Ace Winner, Landmark Profits and the Noteholder holds a total of 275,687,665 Eminence Shares, representing approximately 29.60% of the total issued share capital of Eminence and is a substantial shareholder of Eminence and a connected person of Eminence. Accordingly, the Proposed Alteration and the proposed grant of the Specific Mandate constitute a connected transaction of Eminence under Chapter 14A of the Listing Rules, and are therefore subject to the announcement, reporting and the Eminence Independent Shareholders' approval requirements pursuant to the Listing Rules.

The SGM will be convened to consider and, if thought fit, approve the Proposed Alteration and the proposed grant of the Specific Mandate. Easyknit, Ace Winner, Landmark Profits and the Noteholder, together with their respective associates, will abstain from voting in respect of the resolution(s) approving the Deeds of Amendment and the proposed grant of the Specific Mandate at the SGM.

The Eminence Independent Board Committee (comprising all the independent non-executive Eminence Directors) has been established to give recommendations to the Eminence Independent Shareholders on the Proposed Alteration and the proposed grant of the Specific Mandate. An Eminence Independent Financial Adviser will be appointed in due course to advise and give recommendations to the Eminence Independent Board Committee and the Eminence Independent Shareholders in respect of the Proposed Alteration and the proposed grant of the Specific Mandate.

### *Easyknit*

As one or more of the percentage ratios applicable to the interest receivable by Goodco subsequent to the Proposed Alteration exceeds 5%, but all are less than 25%, the Deeds of Amendment together constitute a discloseable transaction for Easyknit which is subject to reporting and announcement requirements under Chapter 14 of the Listing Rules.

## **GENERAL**

A circular of Eminence containing, among other matters, (i) details of the Proposed Alteration and the proposed grant of the Specific Mandate; (ii) a letter from the Eminence Independent Board Committee containing its recommendations to the Eminence Independent Shareholders; (iii) a letter of advice from the Eminence Independent Financial Adviser containing its advice to the Eminence Independent Board Committee and the Eminence Independent Shareholders; and (iv) a notice of the SGM will be despatched to the Eminence Shareholders on or before 30 October 2020.

## **BACKGROUND**

Reference is made to the announcements of Eminence dated 1 March 2017, 11 May 2017, 7 August 2017, 26 September 2017, 17 June 2019, 29 August 2019 and 15 January 2020; and the circulars of Eminence dated 5 April 2017, 28 August 2017 and 2 August 2019 in relation to, among other things, the Goodco Convertible Notes.

### *2017 (May) Convertible Note*

On 1 March 2017, Eminence and the Noteholder entered into a subscription agreement in respect of the issue of the 2017 (May) Convertible Note in the principal amount of HK\$16,000,000. The 2017 (May) Convertible Note was issued to the Noteholder on 11 May 2017. The initial Conversion Price of the 2017 (May) Convertible Note was HK\$0.16 per Conversion Share, subject to adjustment. The 2017 (May) Convertible Note carries interest at the rate of 3% per annum and falls due on 11 May 2022.

The Conversion Price of the 2017 (May) Convertible Note was adjusted from HK\$0.16 to HK\$2.6279 per Conversion Share (subject to adjustment) with effect from 12 February 2020. A total of 6,088,511 adjusted Conversion Shares would be issued on full conversion at that price.

### *2017 (September) Convertible Note*

On 7 August 2017, Eminence and the Noteholder entered into a subscription agreement in respect of the issue of the 2017 (September) Convertible Note in the principal amount of HK\$28,200,000. The 2017 (September) Convertible Note was issued to the Noteholder on 26 September 2017. The initial Conversion Price of the 2017 (September) Convertible Note was HK\$0.06 per Conversion Share (subject to adjustment). The 2017 (September) Convertible Note carries interest at the rate of 3% per annum and falls due on 26 September 2020.

On 18 October 2017, the Noteholder converted part of the 2017 (September) Convertible Note for HK\$16,920,000 into 282,000,000 Conversion Shares at the then Conversion Price of HK\$0.06 per Conversion Share.

The Conversion Price of the 2017 (September) Convertible Note was adjusted to HK\$0.9855 per Conversion Share (subject to amendment) with effect from 12 February 2020. A total of 11,445,966 Conversion Shares would be issued on full conversion at that price.

### *2019 Convertible Note*

On 17 June 2019, Eminence and the Noteholder entered into a subscription agreement in respect of the issue of the 2019 Convertible Note in the principal amount of HK\$70,000,000. The 2019 Convertible Note was issued to the Noteholder on 28 August 2019. The initial Conversion Price of the 2019 Convertible Note was HK\$0.055 per Conversion Share (subject to adjustment). The 2019 Convertible Note carries interest at the rate of 3% per annum and will fall due on 28 August 2024.

The Conversion Price of the 2019 Convertible Note was adjusted from HK\$0.055 to HK\$0.91 per Conversion Share (subject to adjustment) with effect from 12 February 2020. A total of 76,923,076 adjusted Conversion Shares would be issued on full conversion at that price.

For reasons explained in “Reasons for the Proposed Alteration” below, Eminence and the Noteholder agreed to alter the terms of the Goodco Convertible Notes subject to the terms and conditions of the Deeds of Amendment.

## **DEEDS OF AMENDMENT AND PROPOSED ALTERATION**

### **(1) Dates and Parties**

The dates of and the parties to all three (3) of the Deeds of Amendment are the same.

Date: 18 September 2020 (after trading hours)

Parties: (i) Issuer: Eminence

(ii) Subscriber: the Noteholder

As at the date of this announcement, except under the Goodco Convertible Notes, the Noteholder does not have any other interest in unissued Eminence Shares. The Noteholder is an indirect wholly-owned subsidiary of Easyknit and the owner of approximately 17.33% of the issued Eminence Shares.

### **(2) Principal terms of the Proposed Alteration**

The Proposed Alteration was arrived at after arm’s length negotiations between Eminence and the Noteholder, subject to the fulfillment of all the conditions precedent. The principal terms of the Proposed Alteration are summarised as follows:

- (i) the Conversion Price of all the Goodco Convertible Notes will be revised to HK\$0.25 per Conversion Share (subject to adjustment);
- (ii) the maturity date of all the Goodco Convertible Notes will be extended to 28 August 2024 upon the Deeds of Amendment becoming unconditional; and
- (iii) the interest payable on each Goodco Convertible Note will be increased from 3% to 4% per annum.

Apart from the Proposed Alteration, no other terms and conditions of the Goodco Convertible Notes will be changed under the Deeds of Amendment.

### **(3) Revised numbers of Conversion Shares**

The Conversion Shares will rank pari passu in all respect with the Eminence Shares in issue as at the date of the allotment and issue of the Conversion Shares.

As a result of the Proposed Alteration, a total of 389,120,000 Conversion Shares would be allotted and issued upon full conversion of the Goodco Convertible Notes at the revised Conversion Price of HK\$0.25 broken down as follows:

- upon full conversion of the 2017 (May) Convertible Note, a total of 64,000,000 Conversion Shares will be issued, representing approximately 6.43% of the enlarged issued share capital of Eminence upon its conversion;
- upon full conversion of the 2017 (September) Convertible Note, a total of 45,120,000 Conversion Shares will be issued, representing approximately 4.62% of the enlarged issued share capital of Eminence upon its conversion; and
- upon full conversion of the 2019 Convertible Note, a total of 280,000,000 Conversion Shares will be issued, representing approximately 23.11% of the enlarged issued share capital of Eminence upon its conversion.

Upon full conversion of all the Goodco Convertible Notes, the 389,120,000 Conversion Shares will represent approximately 29.47% of the enlarged issued share capital of Eminence, enlarged by these Conversion Shares.

Further details of the effects of conversion are set out below.

### **(4) Revised Conversion Prices**

The Revised Conversion Price of HK\$0.25 per Conversion Share was arrived at after arm's length negotiation between Eminence and the Noteholder and represents:

- (i) a discount of approximately 5.66% to the closing price of the Eminence Shares of HK\$0.265 per Eminence Share as quoted on the Stock Exchange on 18 September 2020, being the date of the Deeds of Amendment;
- (ii) a discount of approximately 0.79% to the average closing price of approximately HK\$0.252 per Eminence Share as quoted on the Stock Exchange for the last five (5) consecutive trading days up to and including the date of the Deeds of Amendment; and
- (iii) a discount of approximately 3.47% to the average closing price of approximately HK\$0.259 per Eminence Share as quoted on the Stock Exchange for the last ten (10) consecutive trading days up to and including the date of the Deeds of Amendment.

**(5) Conditions precedent**

Each Deed of Amendment is conditional upon the fulfillment of the following conditions precedent:

- (a) the passing by the Eminence Shareholders at the SGM, of the necessary resolution(s) to approve that Deed of Amendment and the Proposed Specific Mandate;
- (b) all necessary consents and approvals required to be obtained on the part of Eminence and the Noteholder in respect of the relevant Proposed Alteration and the transactions contemplated thereunder having been obtained; and
- (c) without prejudice to the generality of condition (b) above, the Listing Committee of the Stock Exchange granting listing of and permission to deal in the Conversion Shares to be allotted and issued under that Goodco Convertible Note after the relevant Proposed Alteration, and the Proposed Alteration.

If any of the above conditions are not fulfilled on or before 31 December 2020 or such later date as Eminence and the Noteholder may agree, the Deeds of Amendment will lapse and the parties shall be released from all obligations thereunder, save for any liabilities for any antecedent breaches thereof.

**(6) Effective Date**

The Deeds of Amendment will become effective on satisfaction of the conditions above, or such other date as may be agreed by Eminence and the Noteholder in writing.

**INFORMATION ON THE NOTEHOLDER**

The Noteholder is a company incorporated in the British Virgin Islands with limited liability, an indirect wholly-owned subsidiary of Easyknit, a substantial shareholder of Eminence and the holder of the Goodco Convertible Notes. The principal business of the Noteholder is investment holding.

## REASONS FOR THE PROPOSED ALTERATION

### *Eminence*

Eminence is an investment holding company incorporated in Bermuda with limited liability, the shares of which are listed on the main board of the Stock Exchange (Stock Code: 616). The Eminence Group is principally engaged in the property investment, property development, securities investment and loan financing business.

As the average closing price of the Eminence Shares for the six months ended on the date of this announcement of approximately HK\$0.405 per Eminence Share is substantially lower than the current Conversion Prices (being HK\$2.6279, HK\$0.9855 and HK\$0.91 per Conversion Share) of the Goodco Convertible Notes, there is no reason for the Noteholder to exercise its conversion rights. The Revised Conversion Price will provide an incentive to the Noteholder to exercise the conversion rights attaching to the Goodco Convertible Notes, which would strengthen the capital base and financial position of Eminence.

Further, the 2017 (September) Convertible Note is due for payment on 26 September 2020 when Eminence will be required to pay the outstanding principal amount of HK\$11,280,000 and accrued interest of approximately HK\$166,000 for the period from 1 April 2020 to 27 September 2020. Given the ongoing projects of Eminence and the difficult market conditions arising from the COVID-19 pandemic and related restrictions, the Eminence Directors consider it preferable for Eminence to retain that cash. The Eminence Directors also consider that the increased interest rate of 4% on the 2017 (September) Convertible Note and the other Goodco Convertible Notes is less than the interest rate at which Eminence would be able to borrow from banks and other independent third parties on an unsecured basis. Accordingly, Eminence approached the Noteholder and proposed the Deeds of Amendment which if approved will extend the term of all Goodco Convertible Notes in return for a reduction in the conversion price under each Goodco Convertible Note and an increase in the interest rate. Goodco has agreed not to require payment of the 2017 (September) Convertible Note unless the Deeds of Amendment do not become unconditional.

As such, the Eminence Board (other than the Eminence Independent Board Committee, which will form a view after receiving advice from the Eminence Independent Financial Adviser) considers that Proposed Alteration is in the interests of Eminence and the Eminence Shareholders as a whole.

### *Easyknit*

As at the date of this announcement, Easyknit, through Ace Winner, Landmark Profits and the Noteholder, holds a total of 275,687,665 Eminence Shares, representing approximately 29.60% of the total issued share capital of Eminence and is a substantial shareholder of Eminence, and a connected person of Eminence. Eminence is an associate of the Easyknit Group for accounting purposes. By entering into the Deeds of Amendment, it will receive enhanced interest and be in a position to increase its holding in Eminence if and when it considers that to be in the interests of Easyknit.

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

## **APPLICATION FOR LISTING**

No application will be made by Eminence for the listing of, or permission to deal in, the Goodco Convertible Notes on the Stock Exchange. Application will be made by Eminence to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares which may fall to be allotted and issued under the Goodco Convertible Notes as a result of the Proposed Alteration.

## **MANDATE FOR THE ISSUE OF THE GOODCO CONVERTIBLE NOTES**

Eminence will seek the Specific Mandate from the Eminence Independent Shareholders at the SGM for the allotment and issue of the increased number of the Conversion Shares issuable upon conversion of the Goodco Convertible Notes pursuant to the terms and conditions of the Goodco Convertible Notes as amended by the Proposed Alteration.



## EFFECT ON THE SHAREHOLDING STRUCTURE OF EMINENCE

Assuming no other changes in the issued share capital of Eminence from the date of this announcement up to the full conversion of the Convertible Notes, the shareholding structure of Eminence (a) as at the date of this announcement; (b) assuming full conversion of the Goodco Convertible Notes before the Proposed Alteration; (c) assuming full conversion of the Goodco Convertible Notes at the Revised Conversion Price and no conversion of the Madian Convertible Note; and (d) assuming full conversion of the Goodco Convertible Notes at the Revised Conversion Price and full conversion of the Madian Convertible Note are illustrated as follows:

	(a) as at the date of this announcement		(b) assuming full conversion of the Goodco Convertible Notes before the Proposed Alteration		(c) assuming full conversion of the Goodco Convertible Notes at the Revised Conversion Price and no conversion of the Madian Convertible Note		(c) assuming full conversion of the Goodco Convertible Notes at the Revised Conversion Price and of the Madian Convertible Note	
	<i>Number of Eminence Shares</i>	<i>Approx. %</i>	<i>Number of Eminence Shares</i>	<i>Approx. %</i>	<i>Number of Eminence Shares</i>	<i>Approx. %</i>	<i>Number of Eminence Shares</i>	<i>Approx. %</i>
<b><u>Goodco and parties in concert</u></b>								
Ace Winner	90,855,000	9.75	90,855,000	8.86	90,855,000	6.88	90,855,000	6.67
Landmark Profits	23,387,370	2.51	23,387,370	2.28	23,387,370	1.77	23,387,370	1.72
Goodco								
- Eminence Shares - underlying Eminence Shares:	161,445,295	17.33	161,445,295	15.74	161,445,295	12.23	161,445,295	11.86
• 2017 (May) Convertible Note	6,088,511*	-	6,088,511	0.59	64,000,000	4.85	64,000,000	4.70
• 2017 (September) Convertible Note	11,445,966*	-	11,445,966	1.12	45,120,000	3.42	45,120,000	3.31
• 2019 Convertible Note	76,923,076*	-	76,923,076	7.50	280,000,000	21.20	280,000,000	20.56
<b>Sub-total</b>	<b>275,687,665</b>	<b>29.60</b>	<b>370,145,218</b>	<b>36.08</b>	<b>664,807,665</b>	<b>50.35</b>	<b>664,807,665</b>	<b>48.83</b>
<b><u>Public</u></b>								
Madian								
- Eminence Shares - underlying Eminence Shares:	6,250,000	0.67	6,250,000	0.61	6,250,000	0.47	6,250,000	0.46
• Madian Convertible Note	40,994,419*	-	40,994,419*	-	40,994,419*	-	40,994,419	3.01
HU Rong	47,030,000	5.05	47,030,000	4.58	47,030,000	3.56	47,030,000	3.45
Other public Eminence Shareholders	602,490,345	64.68	602,490,345	58.73	602,490,345	45.62	602,490,345	44.25
<b>Total</b>	<b>931,458,010</b>	<b>100.00</b>	<b>1,025,915,563</b>	<b>100.00</b>	<b>1,320,578,010</b>	<b>100.00</b>	<b>1,361,572,429</b>	<b>100.00</b>

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

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

The following table sets out the fund raising activities of Eminence during the past twelve (12) months immediately before the date of this announcement:

<b>Date</b>	<b>Fund raising activity</b>	<b>Project/ Property</b>	<b>Purpose</b>	<b>Proposed use of net proceeds</b>	<b>Actual use of net proceeds</b>	<b>Remaining balance</b>
				<i>HK\$' million (approximately)</i>	<i>HK\$' million (approximately)</i>	<i>HK\$' million (approximately)</i>
6 November 2019 (announcement), 17 December 2019 (circular) and 16 January 2020 (prospectus)	Rights issue for 745,166,408 rights shares on the basis of four (4) rights shares for every one (1) Eminence Share at the subscription price of HK\$0.483 per rights share	Matheson Street Project	Construction cost for redevelopment	79.0	(9.6)	69.4
		Huzhou Properties	Construction cost for properties	25.0	(6.1)	18.9
		Wing Cheong Factory Building	Preliminary cost (including planning, design and demolition cost)	22.1	(6.2)	15.9
		Wing Cheong Factory Building	Additional acquisition cost for remaining units	12.0	(12.0)	-
		Kennedy Town Properties	Construction cost for redevelopment	15.8	(10.9)	4.9
		Fung Wah Factorial Building	Acquisition cost for remaining units	62.0	(6.7)	55.3
		Potential acquisitions and other investments	of new properties	80.0	(80.0)	-
		Bank loan repayment		4.9	(4.9)	-
				<b>300.8</b>	<b>(136.4)</b>	<b>164.4</b>

## LISTING RULES IMPLICATIONS

### *Eminence*

As at the date of this announcement, Easyknit, through Ace Winner, Landmark Profits and the Noteholder, holds a total of 275,687,665 Eminence Shares, representing approximately 29.60% of the total issued share capital of Eminence and is a substantial shareholder of Eminence, and a connected person of Eminence. The Proposed Alteration and the proposed grant of the Specific Mandate constitute a connected transaction for Eminence under Chapter 14A of the Listing Rules, and are therefore subject to the reporting, announcement and the Eminence Independent Shareholders' approval requirements pursuant to the Listing Rules.

Easyknit, Ace Winner, Landmark Profits and the Noteholder, together with their respective associates, will abstain from voting in respect of the resolution(s) approving the Deeds of Amendment and the proposed grant of the Specific Mandate at the SGM.

Ms. Lui Yuk Chu (being an executive Eminence Director and an executive director of Easyknit) and Mr. Lai Law Kau (being an executive Eminence Director and brother-in-law of Ms. Lui Yuk Chu) abstained from voting on the relevant board resolutions in view of their material interests in the Proposed Alteration and the proposed grant of the Specific Mandate. Save as disclosed above, no Director has a material interest in the Proposed Alteration or the proposed grant of the Specific Mandate and was required to abstain from voting on the board resolutions in the board meeting of Eminence approving them.

Eminence has established the Eminence Independent Board Committee comprising all its independent non-executive Eminence Directors, namely Mr. Kan Ka Hon, Mr. Lau Sin Ming and Mr. Wu Koon Yin Welly, to advise the Eminence Independent Shareholders on the Proposed Alteration and the proposed grant of the Specific Mandate, after taking into account the advice of the Eminence Independent Financial Adviser.

After obtaining the approval of the Eminence Independent Board Committee, the Eminence Independent Financial Adviser will be appointed by Eminence to advise the Eminence Independent Board Committee and the Eminence Independent Shareholders in relation to the Proposed Alteration and the proposed grant of the Specific Mandate.

According to Rule 28.05 of the Listing Rules, any alterations in the terms of convertible debt securities after issue must be approved by the Stock Exchange, except where the alterations take effect automatically under the existing terms of such convertible debt securities. As such, an application for the approval of the Proposed Alteration will be submitted to the Stock Exchange by Eminence in due course.

A circular of Eminence containing, among other matters, (i) details of the Proposed Alteration and the proposed grant of the Specific Mandate; (ii) a letter from the Eminence Independent Board Committee containing its recommendations to the Eminence Independent Shareholders; (iii) a letter of advice from the Eminence Independent Financial Adviser containing its advice to the Eminence Independent Board Committee and the Eminence Independent Shareholders; and (iv) a notice of the SGM will be despatched to the Eminence Shareholders on or before 30 October 2020.

## *Easyknit*

As one or more of the percentage ratios applicable to the interest receivable by Goodco subsequent to the Proposed Alteration exceeds 5%, but all are less than 25%, the Deeds of Amendment together constitute a discloseable transaction for Easyknit which is subject to reporting and announcement requirements under Chapter 14 of the Listing Rules.

## **TAKEOVERS CODE IMPLICATIONS**

Upon full conversion of the Goodco Convertible Notes at the Revised Conversion Price, a total of 389,120,000 Conversion Shares would be issued, representing approximately 29.47% of the issued share capital of Eminence enlarged by that issue. In the event that immediately before a conversion the holdings of the holder of the Goodco Convertible Notes together with persons acting in concert with them represent in aggregate less than 30% of the voting rights of Eminence then in issue and as a result of such conversion, those persons or a single one of such persons comes to hold 30% or more of the voting rights, it would be obliged to make a general offer to the Eminence Shareholders in compliance with Rule 26 of the Takeovers Code.

In the event that immediately before a conversion the holdings of the holder of the Goodco Convertible Notes together with persons acting in concert with it represent in aggregate not less than 30%, but not more than 50%, of the voting rights of Eminence, and as a result of the conversion, any one or more of them acquires additional voting rights and such acquisition has the effect of increasing their collective holding of voting rights of Eminence by more than 2% from the lowest collective percentage holding of such persons in the 12-month period ending on and inclusive of the date of the relevant acquisition it would be obliged to make a general offer to the Eminence Shareholders in compliance with Rule 26 of the Takeovers Code. The table above illustrates the existing shareholdings in Eminence and the effect on the shareholding structure of Eminence of Goodco and parties acting in concert with it on various assumptions about exercise of conversion rights under the Goodco Convertible Notes and the Madian Convertible Note.

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

## **SGM**

The SGM will be convened for the purpose of considering and, if thought fit, approving the Proposed Alteration and the proposed grant of the Specific Mandate.

Save as disclosed above, to the best of the Eminence Directors' information, belief and knowledge, no parties have material interests in the Proposed Alteration.

## DEFINITIONS

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

“2017 (May) Convertible Note”	the 3% coupon convertible note in the initial principal amount of HK\$16,000,000 issued by Eminence to the Noteholder on 11 May 2017 (as from time to time amended) at a Conversion Price which is currently HK\$2.6279 per Eminence Share (subject to adjustment) due on 11 May 2022, of which the outstanding principal amount remains HK\$16,000,000
“2017 (September) Convertible Note”	the 3% coupon convertible note in the initial principal amount of HK\$28,200,000 issued by Eminence to the Noteholder on 26 September 2017 (as from time to time amended) at a Conversion Price which is currently HK\$0.9855 per Eminence Share (subject to adjustment) due on 26 September 2020, of which the outstanding principal amount is HK\$11,280,000
“2019 Convertible Note”	the 3% coupon convertible note in the initial principal amount of HK\$70,000,000 issued by Eminence to the Noteholder on 28 August 2019 (as from time to time amended) at a Conversion Price which is currently HK\$0.91 per Eminence Share (subject to adjustment) due on 28 August 2024, of which the outstanding principal amount remains HK\$70,000,000
“Ace Winner”	Ace Winner Investment Limited, a company incorporated in Hong Kong with limited liability, a wholly-owned subsidiary of Easyknit, and an Eminence Shareholder
“acting in concert”	the meaning ascribed to it under the Takeovers Code
“associates”	the meaning ascribed to it under the Listing Rules
“connected person(s)”	the meaning ascribed to it in the Listing Rules
“Conversion Price”	in respect of each Goodco Convertible Note, the price at which that Goodco Convertible Note may be converted into Conversion Shares
“Conversion Share(s)”	the Eminence Shares which may fall to be allotted and issued upon exercise of the conversion rights attaching to each of the Goodco Convertible Notes

“Deeds of Amendment”	the three deeds of amendment each dated 18 September 2020 entered into between Eminence and the Noteholder in relation to the Proposed Alteration
“Easyknit”	Easyknit International Holdings Limited, an exempted company incorporated in Bermuda with limited liability, the shares of which are listed on the main board of the Stock Exchange (stock code: 1218), and a substantial shareholder of Eminence
“Easyknit Board”	the board of the directors of Easyknit
“Easyknit Directors”	the directors of Easyknit
“Easyknit Group”	Easyknit and its subsidiaries
“Eminence”	Eminence Enterprise Limited, an exempted company incorporated in Bermuda with limited liability, the shares of which are listed on the main board of the Stock Exchange (Stock Code: 616)
“Eminence Board”	the board of the directors of Eminence
“Eminence Directors”	the directors of Eminence
“Eminence Group”	Eminence and its subsidiaries
“Eminence Independent Board Committee”	an independent committee of the Eminence Board comprising all its independent non-executive Eminence Directors, established for the purpose of advising the Eminence Independent Shareholders on the Proposed Alteration and the proposed grant of the Specific Mandate
“Eminence Independent Financial Adviser”	the independent financial adviser to be appointed by Eminence to advise the Eminence Independent Board Committee and the Eminence Independent Shareholders in relation to the Proposed Alteration and the proposed grant of the Specific Mandate
“Eminence Independent Shareholders”	the Eminence Shareholders, other than (i) the Noteholder and its associates (including but not limited to Easyknit, Ace Winner and Landmark Profits); (ii) the Eminence Directors (excluding the independent non-executive Eminence Directors); (iii) the chief executive of Eminence and his respective associates; and (iv) other Eminence Shareholders interested or involved in the Proposed Alteration and the proposed grant of the Specific Mandate
“Eminence Shareholder(s)”	holder(s) of the shares of Eminence

“Eminence Share(s)”	ordinary share(s) of HK\$0.20 each in the share capital of Eminence
“Goodco” or “Noteholder”	Goodco Development Limited, the holder of the Goodco Convertible Notes, a company incorporated in the British Virgin Islands with limited liability, and an indirect wholly-owned subsidiary of Easyknit, being a substantial shareholder of Eminence
“Goodco Convertible Notes”	collectively, the 2017 (May) Convertible Note, the 2017 (September) Convertible Note and the 2019 Convertible Note
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Landmark Profits”	Landmark Profits Limited, a company incorporated in the British Virgin Islands with limited liability, a wholly-owned subsidiary of Easyknit and an Eminence Shareholder
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Madian”	Madian Star Limited, a holder of the Eminence Shares and of the Madian Convertible Note, an investment holding company incorporated in the British Virgin Islands with limited liability
“Madian Convertible Note”	the 3% coupon convertible note in the principal amount of HK\$86,000,000 issued by Eminence to Madian on 12 June 2015 (as from time to time amended) at a Conversion Price that is currently HK\$0.9855 due on 12 June 2022, of which the outstanding principal amount is HK\$40,400,000
“Proposed Alteration”	the proposed alterations of certain terms of the Goodco Convertible Notes as contemplated under the Deeds of Amendment
“Revised Conversion Price”	HK\$0.25, the revised Conversion Price (subject to adjustment) for all the Goodco Convertible Notes proposed under the Deeds of Amendment
“SGM”	the special general meeting of Eminence to be convened to consider and, if thought fit, approve the Proposed Alteration and the proposed grant of the Specific Mandate
“Specific Mandate”	a specific mandate proposed to be granted to the Eminence Directors at the SGM to allot and issue the Conversion Shares after the Proposed Alteration
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“substantial shareholder(s)”	the meaning ascribed to it under the Listing Rules
“Takeovers Code”	The Code on Takeovers and Mergers
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

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

By order of the Eminence Board  
**EMINENCE ENTERPRISE LIMITED**  
**Kwong Jimmy Cheung Tim**  
*Chairman and Chief Executive Officer*

Hong Kong, 21 September 2020

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

*As at the date hereof, the Eminence Board comprises Mr. Kwong Jimmy Cheung Tim, Ms. Lui Yuk Chu and Mr. Lai Law Kau as executive Eminence Directors; and Mr. Kan Ka Hon, Mr. Lau Sin Ming and Mr. Wu Koon Yin Welly as independent non-executive Eminence Directors.*

*In case of any inconsistency, the English version of this announcement shall prevail over the Chinese version.*