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EASYKNIT INTERNATIONAL HOLDINGS LIMITED 永義國際集團有限公司 (Incorporated in Bermuda with limited liability) (Stock Code: 1218) EMINENCE ENTERPRISE LIMITED 高山企業有限公司 (Incorporated in Bermuda with limited liability) (Stock Code: 616)

## JOINT ANNOUNCEMENT

## **COMPLETION OF**

VERY SUBSTANTIAL DISPOSAL

## VERY SUBSTANTIAL ACQUISITION, CONNECTED TRANSACTION AND ISSUE OF CONVERTIBLE NOTE

Reference is made to the joint announcement dated 14 December 2022, the joint circular dated 21 January 2023 (the "**Joint Circular**") and the poll results announcements dated 15 February 2023 of Easyknit and Eminence in relation to, among other things, the Sale and Purchase Agreements and transactions contemplated thereunder. Unless otherwise defined in this joint announcement, capitalized terms used herein shall have the same meanings as those defined in the Joint Circular.

The Easyknit Board and the Eminence Board are pleased to announce that, following the approval of the Easyknit Shareholders at the Easyknit SGM and the Eminence Independent Shareholders at the Eminence SGM held on 15 February 2023 for the Sale and Purchase Agreements and transactions contemplated thereunder, all Conditions Precedent under the Sale and Purchase Agreements have been fulfilled and the Completion took place on 20 February 2023.

Following the Completion, the Sale Companies (i) become indirect wholly-owned subsidiaries of Eminence and will be consolidated into the financial statements of the Eminence Group; and (ii) become indirect non wholly-owned subsidiaries of Easyknit and continue to be consolidated into the financial statements of the Easyknit Group.

The Easyknit Sale Consideration in respect of the Acquisition of the Properties by Eminence has been satisfied as stated in the Joint Circular. As at 20 February 2023, the Deposit and the Cash Consideration in the sums of HK\$5,000,000 in aggregate has been satisfied in cash, and the balance of the Net Purchase Price of HK\$209,000,000 has been satisfied by way of the 2023 Convertible Note which has been issued by Eminence (as issuer) to Goodco (as noteholder) on 20 February 2023. A total of 1,971,698,113 Conversion Shares of par value HK\$0.01 each have been subscribed for cash at an initial conversion price of HK\$0.106 per Conversion Share (subject to adjustments) shall be allotted and issued to Goodco upon exercise of the Conversion Rights pursuant to the terms and conditions of the 2023 Convertible Note.

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 Lai Law Kau Chairman and Chief Executive Officer

Hong Kong, 20 February 2023

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. Lai Law Kau, Ms. Lui Yuk Chu and Mr. Kwong Jimmy Cheung Tim 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 joint announcement shall prevail over the Chinese version.