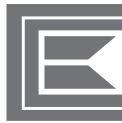

THIS JOINT CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt as to any aspect of this joint circular 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 Easyknt International Holdings Limited and/or Eminence Enterprise Limited, you should at once hand this joint circular and the relevant accompanying form of proxy to the purchaser or transferee or to the bank, licensed securities dealer, registered institution in securities, or other agent through whom the sale or transfer was effected, for transmission to the purchaser(s) or transferee(s).

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this joint circular, 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 this joint circular.



**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)

MAJOR TRANSACTION

**VERY SUBSTANTIAL DISPOSAL
AND
NOTICE OF THE EMINENCE SGM**

DISPOSAL OF PROPERTY IN SINGAPORE

Unless the context otherwise requires, all capitalised terms used in this joint circular have the meanings set out in the section headed “Definitions” of this joint circular.

A letter from the Easyknt Board is set out on pages 4 to 10 of this joint circular.

Pursuant to Rule 14.44 of the Listing Rules, in lieu of a resolution to be passed at a general meeting of Easyknt, the Disposal has been approved by written approvals from a closely allied group of the Easyknt Shareholders. This joint circular is being despatched to the Easyknt Shareholders for information only.

A letter from the Eminence Board is set out on pages 11 to 19 of this joint circular.

A notice convening the Eminence SGM to be held at Block A, 7th Floor, Hong Kong Spinners Building, Phase 6, 481–483 Castle Peak Road, Cheung Sha Wan, Kowloon, Hong Kong on Wednesday, 31 May 2023 at 9:00 a.m. is set out on pages N-Eminence-1 to N-Eminence-2 of this joint circular. A form of proxy for use at the Eminence SGM is enclosed. Whether or not the Eminence Shareholders intend to attend and vote at the Eminence SGM, the Eminence Shareholders are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to Eminence’s branch share registrar and transfer office in Hong Kong, Tricor Secretaries Limited, at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as practicable but in any event not later than forty-eight (48) hours before the time appointed for holding of the Eminence SGM. Completion and return of the form of proxy will not preclude the Eminence Shareholders from attending and voting in person at the Eminence SGM or any adjournment thereof (as the case may be) should they so wish and in such event, the form of proxy shall be deemed to be revoked.

Hong Kong, 8 May 2023

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DEFINITIONS

In this joint circular, the following expressions have the following meanings unless the context requires otherwise:

“Completion”	the completion of the Disposal
“Disposal”	the sale and purchase of the Property pursuant to the terms and conditions of the Option to Purchase
“Easyknit”	Easyknit International Holdings Limited (永義國際集團有限公司), an exempted company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1218)
“Easyknit Board”	the board of directors of Easyknit
“Easyknit Directors”	the directors of Easyknit
“Easyknit Group”	Easyknit and its subsidiaries
“Easyknit Share(s)”	ordinary share(s) of par value of HK\$0.10 each in the share capital of Easyknit
“Easyknit Shareholder(s)”	holder(s) of the Easyknit Share(s)
“Eminence”	Eminence Enterprise Limited (高山企業有限公司), an exempted company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 616), and an approximately 51.60%-owned subsidiary of Easyknit
“Eminence Board”	the board of directors of Eminence
“Eminence Directors”	the directors of Eminence
“Eminence Group”	Eminence and its subsidiaries
“Eminence SGM”	the special general meeting of Eminence to be convened and held to consider, and if thought fit, approve the Disposal and transactions contemplated thereunder
“Eminence Share(s)”	ordinary share(s) of par value of HK\$0.01 each in the share capital of Eminence
“Eminence Shareholder(s)”	holder(s) of the Eminence Share(s)
“Group”	collectively, the Easyknit Group and the Eminence Group

DEFINITIONS

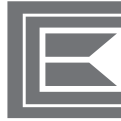
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	person(s) (and in the case of company(ies) and corporation(s), their ultimate beneficial owner(s)) who, to the best knowledge and belief of the Easyknit Directors and the Eminence Directors, as the case may be, having made all reasonable enquiries, is or are third party(ies) independent of and not connected with Easyknit or Eminence, as the case may be, and their respective connected persons (as defined in the Listing Rules)
“Joint Announcement”	the joint announcement of Easyknit and Eminence dated 14 April 2023 regarding the Disposal
“Latest Practicable Date”	Thursday, 4 May 2023, being the latest practicable date prior to the printing of this joint circular for ascertaining information for inclusion in this joint circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Main Board”	the main board maintained and operated by the Stock Exchange
“major transaction”	the meaning ascribed thereto in the Listing Rules
“Option”	the option to purchase the Property pursuant to the terms and conditions of the Option to Purchase
“Option to Purchase”	the agreement entered into between the Vendor and the Purchaser in relation to the grant and exercise of the Option
“PRC”	the People’s Republic of China
“Property”	a four (4)-bedroom residential apartment unit with a gross floor area of approximately 268 sq. m. (approximately 2,885 sq. ft.) located on the fourth (4th) storey of a thirty (30)-storey block within a condominium development of 15 Ardmore Park #04-03, Ardmore Park, Singapore 259959
“Purchaser”	Yu Sung Jin, an individual and an Independent Third Party
“Sale Price”	S\$13,008,888 (equivalently to approximately HK\$76,752,400), being the consideration for the Disposal pursuant to the Option to Purchase
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

DEFINITIONS

“subsidiary”	the meaning defined in the Listing Rules
“Valuer”	Vigers Appraisal and Consulting Limited, a property valuer and an Independent Third Party
“Vendor”	Grow Well Profits Limited, a company incorporated in the British Virgin Islands with limited liability, an indirect wholly-owned subsidiary of Eminence and an indirect non-wholly owned subsidiary of Easyknit
“very substantial disposal”	the meaning ascribed thereto in the Listing Rules
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“S\$”	Singapore dollars, the lawful currency of Singapore
“sq. ft.”	square feet
“sq. m.”	square metre(s)
“%”	per cent.

For the purpose of this joint circular, unless otherwise stated, the exchange rate of S\$1.00 = HK\$5.90 is for the purpose of illustration only and does not constitute a representation that any amounts in S\$ and HK\$ have been, could have been or may be converted at such rate or any other exchange rate.

LETTER FROM THE EASYKNIT BOARD



EASYKNIT INTERNATIONAL HOLDINGS LIMITED

永義國際集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 1218)

Executive Directors:

Ms. KOON Ho Yan Candy

(President and Chief Executive Director)

Ms. LUI Yuk Chu *(Vice President)*

Independent Non-executive Directors:

Mr. TSUI Chun Kong

Mr. JONG Koon Sang

Mr. LAU Chak Hang Charles

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

8 May 2023

To the Easyknit Shareholders,

Dear Sir or Madam,

MAJOR TRANSACTION DISPOSAL OF PROPERTY IN SINGAPORE

INTRODUCTION

Reference is made to the Joint Announcement. On 14 April 2023, the Purchaser accepted and exercised the Option granted by the Vendor under the Option to Purchase, pursuant to which the Vendor has agreed to sell, and the Purchaser has agreed to purchase the Property at the Sale Price subject to the terms and conditions of the Option to Purchase.

The purpose of this joint circular is to provide you with, among other things, further information on the Disposal and other information required under the Listing Rules.

THE OPTION TO PURCHASE

Date

31 March 2023 when the Option to Purchase was initially signed and delivered by the Vendor to the Purchaser.

LETTER FROM THE EASYKNIT BOARD

Parties

- (1) The Vendor; and
- (2) The Purchaser

Acceptance and exercise of the Option by the Purchaser

On 14 April 2023 (after trading hours) when the Purchaser counter-signed the Option to Purchase and paid the Deposit (as defined below) on the same day, and thereafter the Option to Purchase has become a binding agreement between the Vendor and the Purchaser for the purpose of the Disposal.

Asset to be disposed of

The Vendor acquired the Property on 28 December 2000 at an acquisition cost of S\$4,850,000 (equivalent to approximately HK\$28,615,000, excluding transaction costs). The Property is a four (4) bedrooms residential apartment unit with a gross floor area of approximately 268 sq. m. (approximately 2,885 sq. ft.) located on the fourth (4th) storey of a thirty (30)-storey block within a condominium development of 15 Ardmore Park #04-03, Ardmore Park, Singapore 259959. The Property has been leased with expiry date on 30 April 2023 and annual gross rent is S\$165,600 (equivalent to approximately HK\$977,040); and subsequently for a lease term of two (2) years commencing from 15 May 2023 and expiring on 14 May 2025 at an annual gross rent of S\$216,000 (equivalent to approximately HK\$1,274,400). The Property is sold on an “as is, where is” basis in its present state and condition and subject to the existing tenancy agreements.

The Sale Price for the Disposal and Payment Terms

The Sale Price for the Disposal is S\$13,008,888 (equivalent to approximately HK\$76,752,400), which has been paid or will be payable by the Purchaser to the Vendor in the following manner:

- (a) a sum of S\$130,088.88 (equivalent to approximately HK\$767,500) was paid by the Purchaser to the Vendor at the time of granting the Option to the Purchaser (the **“Option Money”**);
- (b) a sum of S\$520,355.52 (equivalent to approximately HK\$3,070,100 and equivalent to five per cent. (5%) of the Sale Price less the Option Money) has been paid by the Purchaser in favour of the Vendor’s solicitors to be held as stakeholders until the Completion (the **“Deposit”**); and
- (c) the remaining balance of S\$12,358,443.60 (equivalent to approximately HK\$72,914,800) will be payable at the Completion.

The Sale Price for the Disposal was arrived at after arm’s length negotiations between the parties and determined with reference to the valuation of the Property prepared by the Valuer as at 31 March 2023 of S\$11,500,000 (equivalent to approximately HK\$67,850,000), and the recent transactions and market prices of comparable properties at similar locations in Singapore.

LETTER FROM THE EASYKNIT BOARD

The Easyknit Shareholders should be aware of the following latest transactions of Ardmore Park and comparable properties in Singapore:

Transaction Date	Description of the Property	Age of the Building (years)	Saleable Area (sq. ft.)	Consideration (S\$)	Price per sq. ft. (S\$)
Ardmore Park					
5 May 2022	9 Ardmore Park #26-04	22	2,884.75	12,230,000	4,240
1 July 2022	11 Ardmore Park #02-01	22	2,884.75	11,000,000	3,813
5 July 2022	11 Ardmore Park #17-03	22	2,884.75	14,080,000	4,881
5 July 2022	11 Ardmore Park #17-04	22	2,884.75	11,500,000	3,986
4 November 2022	15 Ardmore Park #06-04	22	2,884.75	12,500,000	4,333
13 December 2022	11 Ardmore Park #03-03	22	2,884.75	10,800,000	3,744
20 February 2023	11 Ardmore Park #19-04	22	2,884.75	11,000,000	3,848
Four Seasons Park					
20 May 2022	8 Cuscaden Walk #11-02	29	2,873.99	9,500,000	3,306
Nassim Park Residences					
9 June 2022	15 Nassim Road #02-02	12	3,175.38	12,888,000	4,059
The Claymore					
31 March 2022	27 Claymore Road #26-02	38	3,347.60	11,188,888	3,342
Tomlinson Heights					
22 June 2022	31 Tomlinson Road #31-01	9	2,744.82	10,288,000	3,748
19 August 2022	31 Tomlinson Road #27-02	9	2,744.82	10,250,000	3,734
19 December 2022	31 Tomlinson Road #29-02	9	2,744.82	10,900,000	3,971
5 January 2023	31 Tomlinson Road #13-01	9	2,744.82	10,500,000	3,825

LETTER FROM THE EASYKNIT BOARD

Condition Precedent

The Completion shall be subject to or conditional upon (i) Eminence obtaining all requisite approval(s) from the Eminence Shareholders in respect of the sale of the Property pursuant to the Listing Rules; and (ii) Easyknit obtaining all requisite approval(s) from the Easyknit Shareholders in respect of the sale of the Property pursuant to the Listing Rules (if required).

As at the Latest Practicable Date, the condition precedent set out above has not been fulfilled save that Easyknit has obtained written Easyknit Shareholders' approvals from Magical Profits Limited, the controlling shareholder holding 29,179,480 Easyknit Shares, and Sea Rejoice Limited, a substantial shareholder holding 11,429,664 Easyknit Shares, representing a total of approximately 54.89% of the total issued Easyknit Shares, in lieu of holding a special general meeting to approve the Option to Purchase and the Disposal in accordance with Rule 14.44 of the Listing Rules.

Completion

Subject to the satisfaction of conditions precedent, the Completion shall take place on 7 July 2023, being twelve (12) weeks from the date on which the Option is accepted. In the event the Eminence Shareholders' approval is not obtained by 7 July 2023, the Completion shall be extended for a further four (4) weeks from the date of the Completion to 4 August 2023 and in the event approval in the aforesaid is not obtained by such extended date, the Option to Purchase shall be cancelled and the Option Money and the Deposit (that is, five per cent. (5%) of the Sale Price) paid by the Purchaser shall be reimbursed to the Purchaser without any interest thereon. The Purchaser shall not claim any loss or damage against the Vendor for the cancellation of the Option to Purchase.

FINANCIAL IMPACT OF THE DISPOSAL AND USE OF PROCEED

Based on the valuation of the Property prepared by the Valuer as at 31 March 2023, the value of the Property was S\$11,500,000 (equivalent to approximately HK\$67,850,000).

As at 28 February 2023, the book value of the Property was approximately S\$11,200,000 (equivalent to approximately HK\$66,080,000). The Group is expected to recognize a gain on the Disposal of approximately S\$1,808,888 (equivalent to approximately HK\$10,672,400) (being the difference between the Sale Price over the book value, exclusive of expenses). Upon completion of the Disposal, non-current assets and current liabilities of the Group will be reduced by HK\$66,080,000 and HK\$11,197,000 respectively, current assets of the Group will be increased by HK\$64,403,000, but there will be no effect on non-current liabilities.

LETTER FROM THE EASYKNIT BOARD

Based on the Sale Price and the associated estimated direct cost of the Disposal of approximately HK\$75,600,000 and the repayment of the mortgage loan of approximately HK\$11,197,000, the Group is expected to receive net proceeds of approximately HK\$64,403,000 from the Disposal upon Completion. The Group intends to use the proceeds as general working capital set out below for the Group:

Expected use of proceeds	Amount of net proceeds		Expected timeline of utilization
	<i>HK\$ million</i> <i>(approximately)</i>	<i>HK\$ million</i> <i>(approximately)</i>	
Sale proceeds		76.8	
Less: Repayment of bank loan		(11.2)	
Commission		(0.8)	
Transaction costs		(0.2)	
Net proceeds		64.6	
For general working capital including:			
– Administrative expenses, salaries and other operating expenses	(15.6)		July – September 2023
– Construction cost paid and payable	(40.0)		July – September 2023
– Other general working capital	(9.0)		July – September 2023
Total general working capital		(64.6)	
		0.0	

Save as disclosed above, the Disposal will not have any material adverse impact on the earnings and assets and liabilities of the Easyknit Group.

INFORMATION OF THE VENDOR, THE EASYKNIT GROUP AND THE EMINENCE GROUP

The Vendor, an indirect wholly-owned subsidiary of Eminence and an indirect non-wholly owned subsidiary of Easyknit, is a company incorporated in the British Virgin Islands with limited liability. The principal activity of the Vendor is property investment.

Easyknit 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: 1218). The Easyknit Group is principally engaged in property development, property investment, investment in securities and others and loan financing businesses.

LETTER FROM THE EASYKNIT BOARD

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). As at the Latest Practicable Date, Eminence is owned as to approximately 51.60% by Easyknit, and thus is a non-wholly owned subsidiary of Easyknit; and the Eminence Group holds approximately 1.82% of Easyknit. The Eminence Group is principally engaged in property development, property investment, investment in securities and others and loan financing businesses.

Set out below is extracted from the financial information of the Vendor:

	For the period ended	For the year	
	28 February	ended 31 March	
	2023	2022	2021
	<i>S\$'000</i>	<i>S\$'000</i>	<i>S\$'000</i>
	(unaudited)	(unaudited)	(unaudited)
Revenue	446	475	475
Profit before taxation	2,448	5,265	860
Profit for the year	2,405	5,160	798

	As at 28 February	As at 31 March	
	2023	2022	2021
	<i>S\$'000</i>	<i>S\$'000</i>	<i>S\$'000</i>
	(unaudited)	(unaudited)	(unaudited)
Total assets	26,443	34,308	35,915
Net assets value	15,931	13,749	9,777

The net profit attributable to the Property for the two (2) years ended 31 March 2022 and 31 March 2023 were approximately HK\$11,945,000 and HK\$6,425,000 respectively. Details of the financial information attributable to the Property is set out in appendix IV to this joint circular.

INFORMATION OF THE PURCHASER

The Purchaser is an individual. To the best knowledge, information and belief of the Easyknit Directors, having made all reasonable enquiries, the Purchaser is an Independent Third Party.

REASONS FOR AND BENEFITS OF THE DISPOSAL

As part of the property investment business of the Eminence Group, the Eminence Group has been investing in the Property since 28 December 2000. The Easyknit Directors have considered the current financial position and business operation of the Group, and the overall economy and property market in Singapore, and are of the opinion that the current market presents a good opportunity for the Group and the Disposal represents a favourable opportunity to realise the value of the Property at a reasonable price and to reallocate the available funds of the Group for other investment opportunities when they arise. In addition, the proceeds from the Disposals will strengthen the financial position of the Group and increase the general working capital of the Group. The Disposal will allow the Group to realize its property investment and reallocate its financial resources to other business development of the Group.

LETTER FROM THE EASYKNIT BOARD

Taking into account of the above, the Easyknit Directors (including the independent non-executive Easyknit Directors) consider that the Disposal is fair and reasonable and on normal commercial terms and is in the interest of Easyknit and Easyknit Shareholders as a whole.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratio(s) (as defined under the Listing Rules) for Easyknit in respect of the Disposal exceed(s) 25% but is or are less than 75% pursuant to Rule 14.07 of the Listing Rules, the Disposal constitutes a major transaction and is therefore subject to the reporting, announcement and the Easyknit Shareholders' approval requirements under Chapter 14 of the Listing Rules.

To the best of the knowledge, information and belief of the Easyknit Board having made all reasonable enquiries, none of the Easyknit Shareholders has a material interest in the Disposal. Accordingly, no Easyknit Shareholders will be required to abstain from voting if Easyknit was to convene a general meeting for approving the Disposal. Pursuant to Rule 14.44 of the Listing Rules, in lieu of holding a general meeting, Easyknit Shareholders' written approvals have been obtained from Magical Profits Limited and Sea Rejoice Limited, being a closely allied group of Easyknit Shareholders which as at the date of the Joint Announcement, held as 29,179,480 Easyknit Shares and 13,899,664 Easyknit Shares, representing a total of approximately 58.22% of the total issued Easyknit Shares. Each of Ms. Koon Ho Yan Candy, an executive Easyknit Director, and The Winterbotham Trust Company Limited as the trustee of The Magical 2000 Trust is taken to have an interest in the same block of 29,179,480 Easyknit Shares. Ms. Lui Yuk Chu, an executive Easyknit Director, is the sole shareholder of Sea Rejoice Limited. Ms. Koon Ho Yan Candy is the eldest daughter of Ms. Lui Yuk Chu and are concert parties. As such, Easyknit is not required to convene a special general meeting for this purpose.

RECOMMENDATION

For the reasons set out above, the Easyknit Board considers that the Disposal and the terms of the Option to Purchase are fair and reasonable and are in the interests of Easyknit and the Easyknit Shareholders as a whole. Accordingly, the Easyknit Directors (including the independent non-executive Directors) recommend the Easyknit Shareholders to vote in favour of the resolution to approve the Disposal and the Option to Purchase if it had been necessary to hold a general meeting for such purpose.

ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendices to this joint circular.

Yours faithfully,
By order of the Easyknit Board
Easyknit International Holdings Limited
Koon Ho Yan Candy
President and Chief Executive Officer

LETTER FROM THE EMINENCE BOARD



EMINENCE ENTERPRISE LIMITED

高山企業有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 616)

Executive Eminence Directors:

Mr. Lai Law Kau

(Chairman and Chief Executive Officer)

Ms. Lui Yuk Chu *(Deputy Chairman)*

Mr. Kwong Jimmy Cheung Tim

Registered office:

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

Independent Non-executive Eminence 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

8 May 2023

To the Eminence Shareholders

Dear Sir or Madam,

**VERY SUBSTANTIAL DISPOSAL
AND
NOTICE OF THE EMINENCE SGM**

DISPOSAL OF PROPERTY IN SINGAPORE

INTRODUCTION

Reference is made to the Joint Announcement. The purpose of this joint circular is to provide you with, among other things, (i) further details of the Disposal; (ii) the financial information of the Eminence Group; (iii) the pro forma financial information of the remaining Eminence Group; (iv) an independent valuation report on the Property; (v) the notice of the Eminence SGM to approve the Disposal and transactions contemplated thereunder; and (vi) other information as required under the Listing Rules.

LETTER FROM THE EMINENCE BOARD

THE OPTION TO PURCHASE

On 14 April 2023 (after trading hours), the Purchaser accepted and exercised the Option granted by the Vendor under the Option to Purchase, pursuant to which the Vendor has agreed to sell, and the Purchaser has agreed to purchase the Property at the Sale Price subject to the terms and conditions of the Option to Purchase.

The principal terms and conditions of the Option to Purchase are set out below:

Parties:	:	(1) The Vendor; and
		(2) The Purchaser
Date of the Option to Purchase	:	31 March 2023 when the Option to Purchase was initially signed and delivered by the Vendor to the Purchaser
Date of acceptance and exercise of the Option by the Purchaser	:	14 April 2023 (after trading hours) when the Purchaser counter-signed the Option to Purchase and paid the Deposit (<i>as defined below</i>) on the same day, and thereafter the Option to Purchase has become a binding agreement between the Vendor and the Purchaser for the purpose of the Disposal

To the best knowledge, information and belief of the Eminence Directors, having made all reasonable enquiries, the Purchaser is an Independent Third Party.

The Option to Purchase shall constitute a binding agreement of the sale and purchase of the Property between the parties subject to the Vendor obtaining all requisite shareholder approvals from (i) Eminence, the parent company of the Vendor, obtaining all requisite approval(s) from the Eminence Shareholders in respect of the sale of the Property pursuant to the Listing Rules; and (ii) Easyknit obtaining all requisite approval(s) from the Easyknit Shareholders in respect of the sale of the Property pursuant to the Listing Rules (if required). The Property is sold on an “as is, where is” basis in its present state and condition and subject to the existing tenancy agreements.

Information on the Property

On 28 December 2000, the Vendor acquired the Property at the acquisition cost of S\$4,850,000 (equivalent to approximately HK\$28,615,000) (excluding transaction costs). As at the Latest Practicable Date, the Vendor owns the Property which is over twenty (20) years, is a four (4)-bedroom residential apartment unit with a gross floor area of approximately 268 sq. m. (approximately 2,885 sq. ft.) located on the fourth (4th) storey of a thirty (30)-storey block within a condominium development of 15 Ardmore Park #04-03, Ardmore Park, Singapore 259959. The Property has been leased with expiry date on 30 April 2023 and annual gross rent is S\$165,600 (equivalent to approximately HK\$977,040); and subsequently for a lease term of two (2) years commencing from 15 May 2023 and expiring on 14 May 2025 at an annual gross rent of S\$216,000 (equivalent to approximately HK\$1,274,400).

LETTER FROM THE EMINENCE BOARD

The Eminence Board has reviewed and assessed the qualifications, experience and track record of the Valuer. Based on information provided by the Valuer, Mr. David W. I. Cheung, the executive director of the Valuer and the signatory of the valuation report on the Property, who is also responsible for the valuation report on the Property, is a Registered Professional Surveyor in General Practice Division with over 39 years' valuation experience on property in various regions including Hong Kong, Macau, the PRC, Singapore, Japan, the United Kingdom, Canada and the United States of America, who has been vetted on the list of property valuers for undertaking valuations for incorporation or reference in listing particulars and circulars and valuations in connection with takeovers and mergers published by The Hong Kong Institute of Surveyors, and is suitably qualified for undertaking valuations relating to listing exercises. Based on this information, the Eminence Directors are of the view that the Valuer is qualified and competent in performing the property valuation work of the Property. The Valuer has confirmed their independence from the Eminence Group.

The Eminence Board has reviewed the valuation report on the Property and considered the valuation methodology and key assumptions adopted by the Valuer. As disclosed in the valuation report on the Property as set out in appendix I to this joint circular, the Valuer has valued the Property based on the market direct comparison method assuming sale of the property interests in their existing state, subject to the existing tenancies and occupancy arrangement. Comparisons based on transactions on actual sales of comparable property have been made. Comparable properties with similar character, location, sizes and so on are analyzed and carefully weighed against all respective advantages and disadvantages of the Property in order to arrive at the fair comparison of values. As information about the relevant land sale transactions is available in the open market, the Eminence Board has assessed these comparable properties of relevant land sale transactions, use and similar location, and therefore the Eminence Directors are of the view that the comparable land sale transactions adopted by the Valuer is comparable to the Property and the direct comparison method adopted by the Valuer is fair and reasonable. As the key assumptions adopted by the Valuer in the valuation of the Property are general assumptions commonly adopted in assets valuation and are common for transactions of similar nature, the Eminence Directors consider the key assumptions adopted by the Valuer to be fair and reasonable.

As disclosed in the valuation report on the Property as set out in appendix I to this joint circular, the Property has a mortgage in favour of The Hongkong and Shanghai Banking Corporation Limited. As at the Latest Practicable Date, the Eminence Group will repay loan amount and will redeem charge of the Property and thus such mortgage will be released upon Completion.

LETTER FROM THE EMINENCE BOARD

The Sale Price for the Disposal of the Property

The Sale Price for the Disposal is S\$13,008,888 (equivalent to approximately HK\$76,752,400), which has been paid or will be payable by the Purchaser to the Vendor in the following manner:

- (a) a sum of S\$130,088.88 (equivalent to approximately HK\$767,500) was paid by the Purchaser to the Vendor at the time of granting the Option to the Purchaser (the “**Option Money**”);
- (b) a sum of S\$520,355.52 (equivalent to approximately HK\$3,070,100) (equivalent to five per cent. (5%) of the Sale Price less the Option Money) has been paid by the Purchaser in favour of the Vendor’s solicitors to be held as stakeholders until the Completion (the “**Deposit**”); and
- (c) the remaining balance of S\$12,358,443.60 (equivalent to approximately HK\$72,914,800) will be payable on the Completion.

The Sale Price for the Disposal was arrived at after arm’s length negotiations between the parties and determined with reference to the valuation report on the Property prepared by the Valuer as at 31 March 2023 of S\$11,500,000 (equivalent to approximately HK\$67,850,000), and the recent transactions and market prices of comparable properties at similar locations in Singapore. The text of the letter, a summary of valuation and the valuation report on the Property are set out in appendix I to this joint circular.

Conditions Precedent

The Completion shall be subject to or conditional upon (i) Eminence, the parent company of the Vendor, obtaining all requisite approval(s) from the Eminence Shareholders in respect of the sale of the Property pursuant to the Listing Rules; and (ii) Easyknit obtaining all requisite approval(s) from the Easyknit Shareholders in respect of the sale of the Property pursuant to the Listing Rules (if required).

As at the Latest Practicable Date, written approvals from the Easyknit Shareholders have been obtained. None of the above conditions precedent had been fulfilled.

Completion

Subject to the satisfaction of conditions precedent, the Completion shall take place on 7 July 2023, being twelve (12) weeks from the date on which the Option is accepted. In the event the Easyknit Shareholders’ and the Eminence Shareholders’ approvals are not obtained by 7 July 2023, the Completion shall be extended for a further four (4) weeks from the date of the Completion to 4 August 2023 and in the event approvals in the aforesaid are not obtained by such extended date, the Option to Purchase shall be cancelled and the Option Money and the Deposit (that is, five per cent. (5%) of the Sale Price) paid by the Purchaser shall be reimbursed to the Purchaser without any interest thereon. The Purchaser shall not claim any loss or damage against the Vendor for the cancellation of the Option to Purchase.

LETTER FROM THE EMINENCE BOARD

The Eminence Shareholders should be aware of the following latest transactions of Ardmore Park and comparable properties in Singapore:

Transaction Date	Description of the Property	Age of the Building (years)	Saleable Area (sq. ft.)	Consideration (S\$)	Price per sq. ft. (S\$)
Ardmore Park					
5 May 2022	9 Ardmore Park #26-04	22	2,884.75	12,230,000	4,240
1 July 2022	11 Ardmore Park #02-01	22	2,884.75	11,000,000	3,813
5 July 2022	11 Ardmore Park #17-03	22	2,884.75	14,080,000	4,881
5 July 2022	11 Ardmore Park #17-04	22	2,884.75	11,500,000	3,986
4 November 2022	15 Ardmore Park #06-04	22	2,884.75	12,500,000	4,333
13 December 2022	11 Ardmore Park #03-03	22	2,884.75	10,800,000	3,744
20 February 2023	11 Ardmore Park #19-04	22	2,884.75	11,100,000	3,848
Four Seasons Park					
20 May 2022	8 Cuscaden Walk #11-02	29	2,873.99	9,500,000	3,306
Nassim Park Residences					
9 June 2022	15 Nassim Road #02-02	12	3,175.38	12,888,000	4,059
The Claymore					
31 March 2022	27 Claymore Road #26-02	38	3,347.60	11,188,888	3,342
Tomlinson Heights					
22 June 2022	31 Tomlinson Road #31-01	9	2,744.82	10,288,000	3,748
19 August 2022	31 Tomlinson Road #27-02	9	2,744.82	10,250,000	3,734
19 December 2022	31 Tomlinson Road #29-02	9	2,744.82	10,900,000	3,971
5 January 2023	31 Tomlinson Road #13-01	9	2,744.82	10,500,000	3,825

LETTER FROM THE EMINENCE BOARD

INFORMATION ON THE VENDOR AND THE EMINENCE GROUP

The Vendor, an indirect wholly-owned subsidiary of Eminence and an indirect non-wholly owned subsidiary of Easyknit, is a company incorporated in the British Virgin Islands with limited liability. The principal activity of the Vendor is property investment.

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). As at the Latest Practicable Date, Eminence is owned as to approximately 51.60% by Easyknit, and thus is a non-wholly owned subsidiary of Easyknit; and the Eminence Group holds approximately 1.82% of Easyknit. The Eminence Group is principally engaged in property development, property investment, investment in securities and others and loan financing businesses.

Set out below is extracted from the financial information of the Vendor:

	For the period ended 28 February 2023	For the year ended 31 March 2022	2021
	<i>S\$'000</i>	<i>S\$'000</i>	<i>S\$'000</i>
	(unaudited)	(unaudited)	(unaudited)
Revenue	446	475	475
Profit before taxation	2,448	5,265	860
Profit for the year	2,405	5,160	798
	As at 28 February 2023	As at 31 March 2022	2021
	<i>S\$'000</i>	<i>S\$'000</i>	<i>S\$'000</i>
	(unaudited)	(unaudited)	(unaudited)
Total assets	26,443	34,308	35,915
Net assets value	15,931	13,749	9,777

The profit attributable to the Property for the two (2) years ended 31 March 2022 and 31 March 2023 were approximately HK\$11,945,000 and HK\$6,425,000 respectively. Details of the financial information attributable to the Property is set out in appendix IV to this joint circular.

INFORMATION ON THE PURCHASER

The Purchaser is an individual. To the best knowledge, information and belief of the Eminence Directors having made all reasonable enquiries, the Purchaser is an Independent Third Party.

LETTER FROM THE EMINENCE BOARD

REASONS FOR AND BENEFITS OF THE DISPOSAL

As part of the property investment business of the Eminence Group, the Eminence Group has been investing in the Property since 28 December 2000. The Eminence Directors have considered the current financial position and business operation of the Eminence Group, and the overall economy and property market in Singapore, and are of the opinion that the current market presents a good opportunity for the Eminence Group and the Disposal represents a favourable opportunity to realise the value of the Property at a reasonable price and to reallocate the available funds of the Eminence Group for other investment opportunities when they arise. In addition, the proceeds from the Disposal will strengthen the financial position of the Eminence Group and increase the general working capital of the Eminence Group. The Disposal will allow the Eminence Group to realize its property investment and reallocate its financial resources to other business development.

The Eminence Directors (including the independent non-executive Eminence Directors) are of the view that the Disposal is conducted in the ordinary course of the Eminence Group's property investment business and on normal commercial terms, and that the considered factors of the Disposal are fair, reasonable and in the interests of Eminence and the Eminence Shareholders as a whole.

As at the Latest Practicable Date, Eminence has no present plan or intention, or has not entered into any agreement, arrangement, undertaking or negotiation to acquire new businesses or dispose of its existing businesses. Eminence will make further announcement(s) in accordance with the Listing Rules as and when appropriate.

FINANCIAL IMPACT OF THE DISPOSAL AND USE OF PROCEEDS

Earnings

Based on the valuation report on the Property prepared by the Valuer as at 31 March 2023, the value of the Property was S\$11,500,000 (equivalent to approximately HK\$67,850,000). As at 28 February 2023, the book value of the Property was approximately S\$11,200,000 (equivalent to approximately HK\$66,080,000). The Eminence Group is expected to recognize a gain on the Disposal of approximately S\$1,808,888 (equivalent to approximately HK\$10,672,400) (being the difference between the Sale Price over the book value, exclusive of expenses). Upon Completion, based on the estimation of the Eminence Board, the monthly rental income is expected to be decreased by approximately S\$18,000 (equivalent to approximately HK\$106,200). The Eminence Group intends to use the net proceeds from the Disposal for the general working capital of the Eminence Group.

LETTER FROM THE EMINENCE BOARD

Set out below is the detailed breakdown of expected timeline and intended use of proceeds of the Disposal:

Expected use of proceeds	Amount of net proceeds		Expected timeline of utilization
	HK\$ million (approximately)	HK\$ million (approximately)	
Sale proceeds		76.8	
Less: Repayment of bank loan		(11.2)	
Commission		(0.8)	
Transaction costs		(0.2)	
		<hr/>	
Net proceeds		64.6	
For general working capital including:			
– Administrative expenses, salaries and other operating expenses	(15.6)		July – September 2023
– Construction cost paid and payable	(40.0)		July – September 2023
– Other general working capital	(9.0)		July – September 2023
		<hr/>	
Total general working capital		(64.6)	
		<hr/>	
		0.0	
		<hr/> <hr/>	

Assets and Liabilities

As at 28 February 2023, the net asset value of the Eminence Group was approximately HK\$3,191,318,000. Upon Completion, based on the estimation of the Eminence Board, (i) the assets value will be decreased by approximately HK\$66,080,000; and (ii) the liabilities (mainly being repayment of bank loan) will be decreased by approximately HK\$11,197,000.

Save as disclosed above, the Disposal will not have any material adverse impact on the earnings, and assets and liabilities of the Eminence Group.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratio(s) of the Disposal exceed(s) 75% pursuant to Rule 14.07 of the Listing Rules and the Disposal constitutes a very substantial disposal for Eminence under Rule 14.06(4) of the Listing Rules, and is or are subject to the reporting, announcement requirements and the Eminence Shareholders' approval requirements under Chapter 14 of the Listing Rules.

LETTER FROM THE EMINENCE BOARD

To the best knowledge, information and belief of the Eminence Directors having made all reasonable enquiries, as no Eminence Shareholder has a material interest in the Disposal, no Eminence Shareholder will be required to abstain from voting on the relevant resolution to approve the Disposal and transactions contemplated thereunder at the Eminence SGM.

RECOMMENDATION

The Eminence Board considers that the terms and conditions of the Option to Purchase are on normal commercial terms and are fair and reasonable and the Disposal is in the interests of Eminence and the Eminence Shareholders as a whole. Accordingly, the Eminence Board recommends the Eminence Shareholders to vote in favour of the relevant ordinary resolution regarding the Disposal and transactions contemplated thereunder.

ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendices of this joint circular.

Yours faithfully,
By order of the Eminence Board
EMINENCE ENTERPRISE LIMITED
Lai Law Kau
Chairman and Chief Executive Officer

The following is the text of a letter and valuation report prepared for the purpose of incorporation in this joint circular received from Vigers Appraisal and Consulting Limited, an independent professional valuer, in connection with the valuation of the Property to be disposed by the Easyknit Group and Eminence Group as at 31 March 2023.

Vigers Appraisal and Consulting Limited

General Practice Sector
27/F Standard Chartered Tower,
Millennium City 1,
No. 388 Kwun Tong Road,
Kwun Tong, Kowloon, Hong Kong
T: +852 6651-5330
E: GP@Vigers.com
W: www.Vigers.com



8 May 2023

The Board of Directors

Eminence Enterprise Limited

Block A, 7th Floor,
Hong Kong Spinners Building Phase 6,
Nos. 481-483 Castle Peak Road,
Cheung Sha Wan, Kowloon, Hong Kong

Dear Sirs,

We refer to the recent instruction from “Easyknit International Holdings Limited and Eminence Enterprise Limited” (referred to as the “**Company**”) and/or its subsidiary(ies) (together referred to as the “**Group**”) to us to value the property interests of “15 Ardmore Park #04-03, Ardmore Park, Singapore 259959” (the “**Property**”), we confirm that we have inspected the Property, made relevant enquiries and investigations as well as obtained such further information as we consider necessary for the purpose of providing our opinion of value of the Property as at 31 March 2023 (the “**Date of Valuation**”).

Our valuation is done on a market value basis. Market value is defined as “the estimated amount for which an asset should exchange on the date of valuation between a willing buyer and a willing seller in an arm’s length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion”.

We have valued the property interests by using the direct comparison approach assuming sale of the property interests in their existing state, subject to the existing tenancies and occupancy arrangement. We have also made reference to comparable sales transactions as available in the relevant market to carry out our assessment.

Our valuation has been made on the assumption that the seller sells the property interests in the market without the benefit of a deferred term contract, joint venture, management agreement or any similar arrangement, which could serve to affect the values of the property interests.

No allowance has been made in our report for any charge, mortgage or amount owing on any of the property interests valued nor for any expense or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the Property are free from encumbrances, restrictions and outgoing of an onerous nature, which could affect their values.

In valuing the property interests, we have complied with all requirements contained in Chapter 5 of the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited; the RICS Valuation – Professional Standards published by the Royal Institution of Chartered Surveyors; the SISV Valuation Standards published by the Singapore Institute of Surveyors and Valuers; and the International Valuation Standards published by the International Valuation Standards Council.

We have relied to a very considerable extent on the information given by the Group and have accepted advice given to us on such matters as the gross floor areas, existing leases and occupancy arrangements, specifications, formal planning approval and other relevant matters.

We have carried out the title searches relating to the Property with the Land Title Registry. We have reported the information with regards to the ownership, tenure, land area and all encumbrances, if any, in our reports. However, we do not interpret nor ascertain the security of the ownership or legal interest in the Property belonging to the Company. In carrying out our valuation, we assumed that the Company owned the assets as at the date of our valuation.

We have not carried out detailed measurements to verify the correctness of the areas in respect of the Property but have assumed that the areas shown on the title documents and architectural site and floor plans handed to us are correct. All documents and contracts have been used as reference only and all dimensions, measurements and areas are approximations. No on-site measurement has been taken.

We have inspected the exterior and where possible of the Property. However, we have not carried out investigations on site to determine the suitability of the ground conditions and the services etc. for any development thereon. Our valuation has been prepared on the assumption that these aspects are satisfactory and that no unexpected cost and delay will be incurred during construction. Moreover, no structural survey has been made, but in the course of our inspection, we did not note any items of disrepair which we regard as serious, we are not, however, able to give any assurance that the Property are free of rot, infestation or any other structural defect.

We have appointed a local valuer, **Chen Duanneng B. Bus (Property) MSISV** (Appraiser's Licence No: AD041-2009559A), from Edmund Tie & Company (SEA) Pte Ltd to carry out the inspection of the Property on 29 March 2023.

We have had no reason to doubt the truth and accuracy of the information provided to us by the Group. We have also sought confirmation from the Group that no material factors have been omitted from the information supplied. We consider that we have been provided with sufficient information to arrive at an informed view, and we have no reason to suspect that any material information has been withheld.

Unless otherwise stated, all monetary figures stated in this report are in Singapore Dollar (S\$). Our valuation is summarised below and the valuation certificates are attached.

We enclose herewith the core content of our valuation report.

Yours faithfully,

For and on behalf of

VIGERS APPRAISAL AND CONSULTING LIMITED

Sr. David W. I. CHEUNG

MRICS MHKIS RPS(GP) MCIREA

RICS Registered Valuer

Deputy Managing Director

Note: Mr. David W. I. Cheung is a Registered Professional Surveyor in General Practice Division with over 39 years' valuation experience on property in various regions including Hong Kong, Macau, the PRC, Singapore, Japan, the United Kingdom, Canada and the United States of America, who has been vetted on the list of property valuers for undertaking valuations for incorporation or reference in listing particulars and circulars and valuations in connection with takeovers and mergers published by The Hong Kong Institute of Surveyors, and is suitably qualified for undertaking valuations relating to listing exercises. Mr. Cheung has over 13-year of experience with Vigers Appraisal and Consulting Limited.

PROPERTY VALUATION REPORT

Property Interests for Disposal purpose

Property	Description and Tenure	Occupancy Status	Market Value in Existing State as at the Date of Valuation
15 Ardmore Park #04-03, Ardmore Park, Singapore 259959	<p>The subject property is situated on the northern side of Ardmore Park and approximately 15 minutes driving distance to downtown. The locality is a prime residential area, prominent developments include Juniper at Ardmore, The Claymore, Ardmore II and JC Draycott. popular shopping centres and other entertainment facilities can be found in the vicinity.</p> <p>The Property is a residential unit. It consists of living/dining areas with an adjoining balcony, master bedroom with an attached bathroom, 3 other bedrooms each with an attached bathroom, powder-room, common bathroom, utility room, kitchen, toilet and yard.</p> <p>The Property was completed in about 2001.</p> <p>The Property has an effective floor area of approximately 268 sq. m. (2,885 sq. ft.).</p> <p>The Property is held under Estates in Fee Simple (freehold).</p>	As inspected and as advised by the Company, the Property is currently tenanted at a monthly rental of S\$13,800 with the lease expiring on 30 April 2023.	<p>S\$11,500,000 (Singapore Dollars Eleven Million Five Hundred Thousand Only)</p> <p>(It is equal to HK\$67,850,000 approximately)</p>

Notes:

- The Property is located in Ardmore Park. It is a condominium development which comprises a total of 324 units of apartments and 6 penthouses housed in three 30-storey blocks. Access to the upper storeys within each block is facilitated by lifts and staircases.
- The registered proprietor is Grow Well Profits Limited.
- The site of the Property is zoned as "Residential" according to the Master Plan Zoning (2019 Edition).
- Pursuant to the Singapore titles automated registration system record, mortgage IF/331267Q in favour of The Hongkong and Shanghai Banking Corporation Limited vide ID No. 115411 dated 29 August 2018. According to the Group's opinion, it will be resolved upon Completion.
- The registered subsidiary proprietor's share in the common property is 5/1,680 shares.
- In arriving at our opinion of the market value of the Property, our valuation is based on direct comparison method with transactions of comparable properties within the vicinity and comparables details are shown as follows:

No.	Date of Instance	Comparable	Age	Price	Effective Floor Area	Unit Rate
1.	Feb 2023	11 Ardmore Park #19-04	2001	S\$11,100,000	268 sq. m.	S\$41,418/sq. m.
2.	Dec 2022	11 Ardmore Park #03-03	2001	S\$10,800,000	268 sq. m.	S\$40,299/sq. m.
3.	Nov 2022	15 Ardmore Park #06-04	2001	S\$12,500,000	268 sq. m.	S\$46,642/sq. m.
		Subject Property				
		15 Ardmore Park #04-03	2001	S\$11,500,000	268 sq. m.	S\$42,910/sq. m.

We have made reference to sales transaction comparables in the vicinity. The market sales comparables are about S\$40,299 to HK\$46,642 per sq. m. The unit rate adopted by us is consistent with the said sales transaction references after due adjustments. Due adjustments to those sale transaction comparables have been made to reflect factors including but not limited to floor and view in arriving at our opinion of value.

1. FINANCIAL INFORMATION OF THE EASYKNIT GROUP

By way of reference, the financial information of the Easyknit Group for each of the financial years ended 31 March 2020, 2021 and 2022 and for the six months ended 30 September 2022 are disclosed in the following documents which have been published both on the websites of the Stock Exchange at <https://www.hkexnews.hk> and Easyknit at <https://www.easyknit.com>:

- (i) Interim report of the Easyknit Group for the six months ended 30 September 2022 (pages 40 to 88)

<https://www1.hkexnews.hk/listedco/listconews/sehk/2022/1220/2022122000311.pdf>

- (ii) Annual report of the Easyknit Group for the year ended 31 March 2022 (pages 96 to 264)

<https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0722/2022072200491.pdf>

- (iii) Annual report of the Easyknit Group for the year ended 31 March 2021 (pages 82 to 227)

<https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0719/2021071900312.pdf>

- (iv) Annual report of the Easyknit Group for the year ended 31 March 2020 (pages 86 to 233)

<https://www1.hkexnews.hk/listedco/listconews/sehk/2020/0706/2020070600997.pdf>

2. INDEBTEDNESS

Borrowings

As at 31 March 2023, being the latest practicable date for the purpose of ascertaining information contained in this indebtedness statement set out in this joint circular, the Easyknit Group had outstanding bank borrowings amounted to approximately HK\$3,528,951,000, which were guaranteed by Easyknit and were secured by certain properties of the Easyknit Group. The bank borrowings are secured by charges over leasehold properties, investment properties, properties held for development for sale, properties held for sale, deposit and prepayments for a life insurance policy of the Group with carrying amounts of approximately HK\$190,979,000, HK\$2,075,841,000, HK\$4,746,185,000, HK\$728,950,000 and HK\$14,435,000 respectively at 31 March 2023.

Contingent Liabilities

As at 31 March 2023, the Easyknit Group did not have any material contingent liabilities.

Capital Commitments

As at 31 March 2023, the Easyknit Group had capital commitments in respect of capital expenditure contracted for but not provided of approximately HK\$19,635,000.

Save as disclosed above and intra-group liabilities, the Easyknit Group did not have any debt securities authorised or created but 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 materials contingent liabilities as at 31 March 2023.

3. WORKING CAPITAL

The effect of the Disposal on the working capital of the Group is the availability of increased fund for the Group's operations and the increase in the level of the Group's working capital sufficiency.

The Easyknit Directors, after due and careful consideration, are of the opinion that, after taking into account the Disposal and the Group's available financial resources including cash and cash equivalent on hand, the internally generated funds and existing facilities, the Easyknit Group has, sufficient working capital for its present requirement for the next 12 months from the date of this joint circular.

Easyknit has obtained the relevant confirmation as required under Rule 14.66(12) of the Listing Rules.

4. MATERIAL ADVERSE CHANGE

The Easyknit Directors are not aware of any material adverse change to the financial or trading position of the Easyknit Group since 31 March 2022, being the date of which the latest published audited consolidated accounts of Easyknit were made up, up to and including the Latest Practicable Date.

5. FINANCIAL AND TRADING PROSPECTS OF THE EASYKNIT GROUP

Easyknit Group is principally engaged in property development, property investment, investment in securities and others and loan financing businesses which property development and property investment are the core businesses of the Group. There is no change in the Easyknit Group's principal activities since 31 March 2022, being the date on which the latest published audited consolidated financial statements of the Easyknit Group were made up, and there is not expected to be any change to the Easyknit Group's principal business as a result of completion of the Disposal.

After several turbulent years, the economy in Hong Kong is being strengthened as the border re-opens. The re-open between mainland China and Hong Kong provides a strong boost to local business sentiment, despite continued uncertainty regarding the global economic outlook and future interest rate movement. Ongoing economic normalisation and peaking interest rates will offset some external uncertainty and support the recovery of residential, commercial and industrial real estate demand.

Looking ahead, the Easyknit Group is optimistic to its (i) residential property development project located at Nos. 93, 93A, 95 and 95A Waterloo Road, Kowloon, Hong Kong which is expected to launch sales in the second quarter of 2023; (ii) commercial property development project located at Nos. 11, 13 and 15 Matheson Street, Causeway Bay, Hong Kong which is expected to be completed in 2023; and (iii) industrial property development project located at No. 121 King Lam Street, Kowloon, Hong Kong which is expected to be completed in 2023. The Easyknit Group will continue to monitor the market changes closely and focusing its efforts in the development of its existing principal businesses while exploring other opportunities with a view to providing steady and favourite returns for its shareholders and strengthen every segment of its business.

1. FINANCIAL SUMMARY OF THE EMINENCE GROUP

Further information about the Eminence Group is disclosed in the last three (3) published annual reports and the most recent interim report, copies of which can be located at the hyperlinks below:

For the six months ended	Hyperlink	Principal relevant pages
30 September 2022	https://www1.hkexnews.hk/listedco/listconews/sehk/2022/1220/2022122000289.pdf	48–108
For the year ended	Hyperlink	Principal relevant pages
31 March 2022	https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0722/2022072200147.pdf	87–221
31 March 2021	https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0714/2021071400346.pdf	75–221
31 March 2020	https://www1.hkexnews.hk/listedco/listconews/sehk/2020/0618/2020061800324.pdf	77–213

2. WORKING CAPITAL

The Eminence Directors are of the opinion that, after taking into account its available financial resources to the Eminence Group, including internal resources, and the net proceeds to be received from the Disposal, the Eminence Group has sufficient working capital for its requirements for the next twelve (12) months from the date of this joint circular. Eminence has obtained the relevant confirmation as required under Rule 14.66(12) of the Listing Rules.

3. INDEBTEDNESS

As at the close of business of 31 March 2023, being the latest practicable date for the purpose of determining the indebtedness of the Eminence Group prior to the printing of this joint circular, the Eminence Group had outstanding bank borrowings of approximately HK\$1,871,692,000, which were secured by charges on investment properties and properties held for development for sale and life insurance policies of the Eminence Group with carrying amounts of approximately HK\$1,297,441,000, HK\$3,268,965,000 and HK\$14,435,000 respectively at 31 March 2023 and all bank borrowings were guaranteed by Eminence.

Save as disclosed above and for intra-group liabilities, the Eminence Group did not have any debt securities authorized or created but 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 31 March 2023.

4. FINANCIAL AND TRADING PROSPECTS OF THE EMINENCE GROUP

Although uncertainties in global economic outlook have been caused by softening global economic growth, high level of inflation rate, continuous geo-political conflicts and multiple waves of coronavirus disease (COVID-19), the Eminence Group maintains a cautiously optimistic view on the property market and will devote resources and efforts in increasing and replenishing its land bank for development. The Eminence Group will continuously adopt a prudent approach on property portfolio management. In addition, the Eminence Group will actively look for potential investment properties for recurring income and capital appreciation, at the same time strengthening its loan financing business for stable recurring income. These strategies are intended to enable the Eminence Group to maintain its competitiveness thereby ensuring the Eminence Group's sustainability and securing the Eminence Shareholders' benefits.

5. MATERIAL ADVERSE CHANGE

The Eminence Directors confirm that, as at the Latest Practicable Date, there has been no material adverse change in the financial or trading position or outlook of the Eminence Group since 31 March 2022, the date to which the latest published audited financial statements of Eminence were made up, up to and including the Latest Practicable Date.

6. MANAGEMENT DISCUSSION AND ANALYSIS

Set out below is the management discussion and analysis of the Eminence Group's business and performance for the six months ended 30 September 2022 as extracted from the interim report of Eminence for the six months ended 30 September 2022.

Interim Results

The Group's unaudited consolidated profit attributable to shareholders of the Company (the "Shareholders") for the Period was approximately HK\$63,412,000 as compared to profit of approximately HK\$81,785,000 for the corresponding period in 2021 ("2021 Period"). The decrease in net profit was mainly attributable to, among other things, (i) decrease in revenue and (ii) decrease in write-back on properties held for development for sale. Such decrease in net profit was partially offset by (iii) increase in gain on change in fair value of investment properties and (iv) increase in reversal of impairment loss on loans receivable.

Basic and diluted earnings per share for the Period were approximately 5.02 HK cents and 4.47 HK cents respectively as compared with basic and diluted earnings per share of approximately 8.78 HK cents and 6.66 HK cents respectively for 2021 Period.

Interim Dividend

The Board does not recommend the payment of an interim dividend for the Period (2021 Period: nil).

Business Review

During the Period, the Group was principally engaged in property development, property investment (comprising ownership and rental of investment properties), investment in securities and others and loan financing business which property development and property investment are the core businesses of the Group. The review of each business segment of the Group is set out below.

(i) Property Development

One of the Group's core businesses is property development. The Group has extensive experience on property redevelopment, in particular, acquisition of old buildings for renewal and redevelopment. Below are the major projects of the Group during the Period.

(a) Project Matheson Street

As at 30 September 2022, the Group, through its indirect wholly-owned subsidiary, owned the site at Nos. 11, 13 and 15 Matheson Street, Causeway Bay, Hong Kong. The total area of the site is approximately 2,857 square feet and is currently under construction. After redevelopment, the site will provide a gross floor area of approximately 42,854 square feet of commercial and/or office mixed-use building. Construction of the project is expected to complete in early 2023.

(b) Project King Lam Street (formerly known as Project Wing Cheong)

As at 30 September 2022, the Group, through its indirect wholly-owned subsidiary, owned the site located at No. 121 King Lam Street, Kowloon, Hong Kong. The site area is approximately 5,483 square feet. The Group plans to redevelop the site into an industrial building with modern amenities, facilities and loading or unloading bays utilizing floor area allowable under all relevant laws and regulations which maximize the usage and potential of the lot to its fullest extent. The site is undergoing superstructure works and the project is expected to complete in late 2023.

(c) Project Kennedy Town

As at 30 September 2022, the Group, through its indirect wholly-owned subsidiaries, owned all the units at (i) Nos. 1B and 1C and Nos. 1D and 1E of Davis Street, Kennedy Town, Hong Kong ("**Davis Street**"); and (ii) Nos. 93 and 95 Catchick Street, Hong Kong ("**Catchick Street**"). The combined site area of Davis Street and Catchick Street is approximately 7,122 square feet. The Group plans to redevelop the combined site into a commercial and/or residential mixed-use development to maximize its usage. Foundation work is underway and the project is expected to complete in 2025.

(d) Project Fung Wah

As at 30 September 2022, the Group, through its indirect wholly-owned subsidiaries, owned the site at Fung Wah Factorial Building, Nos. 646, 648 and 648A Castle Peak Road, Kowloon (collectively, the “**Fung Wah Factorial Building**”). The total site area is approximately 9,206 square feet. The Group plans to redevelop the Fung Wah Factorial Building into a high-rise modern industrial building to maximize its usage. Foundation work is underway and the project is expected to complete in 2025.

(ii) Property Investment

The other principal business of the Group is property investment. As at 30 September 2022, the Group’s property investment portfolio comprised of residential, commercial and industrial units located in Hong Kong, Singapore and the People’s Republic of China (the “**PRC**”). During the Period, the total rental and management fee income of the Group decreased by approximately 21.7% to approximately HK\$24,487,000 (2021 Period: approximately HK\$31,268,000). The decrease is primarily attributable to demolition of certain properties previously recognized as investment properties in Hong Kong for the purposes of property development.

Hong Kong

In Hong Kong, the Group owns residential, commercial and industrial units with a total carrying amount of approximately HK\$852,800,000 as at 30 September 2022 (31 March 2022: approximately HK\$796,200,000). For the Period, the Group recorded property rental income of approximately HK\$10,457,000 (2021 Period: approximately HK\$16,949,000), representing a decrease of approximately 38.3% as compared with 2021 Period.

Singapore

In Singapore, the Group owns three (3) residential units with a total carrying amount of approximately HK\$186,154,000 as at 30 September 2022 (31 March 2022: approximately HK\$183,680,000). For the Period, the Group received property rental income of approximately HK\$1,476,000 (2021 Period: approximately HK\$1,396,000), representing an approximately 5.7% increase.

The PRC

In Huzhou City, Zhejiang Province of the PRC, the Group has an industrial complex of fifteen (15) blocks of factory premises and five (5) blocks of dormitories with a total carrying amount of approximately HK\$345,543,000 as at 30 September 2022 (31 March 2022: approximately HK\$387,683,000). For the Period, the Group recorded property rental income and management fee income of approximately HK\$3,723,000 and HK\$8,831,000 respectively (2021 Period: approximately HK\$4,817,000 and HK\$8,106,000 respectively).

(iii) Investment in Securities and Others

The Group adopted a prudent attitude in its well- diversified securities investment. During the Period, the Group had acquired and disposed of listed and unlisted equity securities, equity linked notes and other investment products. The Group recorded fair value loss in securities and other investments of approximately HK\$9,850,000 (2021 Period: loss of approximately HK\$15,565,000). As a result, the Group reported segment loss of approximately HK\$15,920,000 (2021 Period: segment loss of approximately HK\$24,529,000) during the Period. The Group received dividend income from the listed securities investments of approximately HK\$1,551,000 during the Period.

As at 30 September 2022, the Group's investment in equity securities listed in Hong Kong and the United States of America amounted to approximately HK\$17,895,000 (31 March 2022: approximately HK\$52,818,000). This value represented an investment portfolio comprising 4 (31 March 2022: 8) equity securities which are listed on the main board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") and the New York Stock Exchange. The movement during the Period were (a) the disposal of securities investments which had a fair value of approximately HK\$30,327,000 and (b) net decrease in market value of securities investments in the amount of approximately HK\$4,596,000.

The Group considers the prospects in respect of the investments in securities and others remain cautiously optimistic. The Group understands that the performance of the investments may be affected by global economic uncertainties and degree of volatility in the Hong Kong financial market and subject to other external factors. Accordingly, the Group will continuously maintain a diversified portfolio of investment of different segments of markets to minimise the possible financial risks. The Group will also closely monitor the performance progress of the investment portfolio in a prudent and balanced risk management approach from time to time.

(iv) Loan Financing

The loan financing business of the Group is primarily operated by City China International Limited ("**City China**"), an indirect wholly-owned subsidiary of the Company which is a licensed money lender carrying on business under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong). The borrowers of the loan financing business are individuals and corporate entities that have short-term funding needs and could provide sufficient collaterals for their borrowings. The borrowers are primarily acquired through business referrals and introductions. City China's source of funding is financed by the Group's internal resources. For the Period, the Group recorded interest income from loan financing business amounting to approximately HK\$1,899,000 (2021 Period: approximately HK\$5,168,000), representing a decrease of approximately 63.3% comparing with 2021 Period. The segment profit of loan financing business was approximately HK\$6,987,000 for the Period (2021 Period: segment loss of approximately HK\$21,177,000). The outstanding principal amount of loans receivable as at 30 September 2022 was approximately HK\$69,350,000 (31 March 2022: approximately HK\$94,381,000). During the Period, reversal of impairment allowance was recognized in profit or loss amounting to approximately HK\$9,019,000 (2021 Period: impairment loss of approximately HK\$11,668,000) in its loan financing business.

The Group has credit policies, guidelines and procedures in place which cover key internal controls of a loan transaction including due diligence, credit appraisal, proper execution of documentations, continuous monitoring and collection and recovery. Before entering into loan agreements, the Group focuses on the due diligence procedures and credit risk assessment work, including but not limited to meeting with each borrower, conducting research on their backgrounds, evaluating their current business operations and financial conditions, market reputation and creditability, conducting financial and recoverability analysis, and reviewing on repayment history (including recent settlement records, and any litigations and bankruptcy orders) and change in career or business background and financial position of each borrower in order to better understand the circumstances of each borrower. The Group regularly assesses the value of the collaterals and guarantees of the borrowers for their credit quality, and defines credit limits to be granted to the borrowers. To minimize credit risks, the Group typically requires guarantees, including collaterals with expected realized value exceeding the loan amount, post-dated cheques and/or personal or corporate guarantees. The Group closely monitors on an ongoing review of credit risks of loans recoverability and collection to ensure that follow-up actions (including legal actions if necessary) are taken to recover overdue debts.

The Group generally provides short-term loans of maturity of not more than two (2) years. The repayment terms and conditions are determined by factors including the repayment ability of the borrowers, the Group's funding and cash flows management strategies, and the terms and rates of the prevailing market.

The Group has concentration of credit risk in relation to loans receivable, amounting to approximately HK\$69,350,000 as at 30 September 2022 (31 March 2022: approximately HK\$94,381,000), from a few borrowers with approximately 68% (31 March 2022: approximately 69%) of the balance were secured by guaranteed money of nil (31 March 2022: HK\$10,000,000) or properties with estimated fair values of HK\$208,655,000 (31 March 2022: HK\$161,407,000). The Group is not permitted to sell or repledge the collaterals in the absence of default by the borrowers. There have not been any significant changes in the quality of the collateral held for the loans receivable. In addition, the unsecured loans receivable as at 30 September 2022 amounting to HK\$32,951,000 (31 March 2022: HK\$39,750,000) were with personal guarantee. The largest borrower of the Group by itself and together with the other four (4) largest borrowers of the Group accounted for approximately 25% (31 March 2022: approximately 19%) and 64% (31 March 2022: 49%) respectively of the loans receivable of the Group as at 30 September 2022. During the Period, the range of interest rate on the fixed-rate loans receivable of the Group was 4% to 8% (2021 Period: 4% to 8%) per annum, and the total number of the borrowers of the loan financing business of the Group is 11.

In view of the foreseeable increase in risk of default by the borrowers as COVID-19 pandemic continued, the Group reassessed the credit ratings of individual borrowers and made necessary provisions for potential impairment loss. As at 30 September 2022, allowance for loans receivable amounted to approximately HK\$38,220,000 (31 March 2022: approximately HK\$47,239,000). Except for those credit-impaired loans receivable, there were no loans receivable which are past due as at 30 September 2022.

The Group performs impairment assessment under expected credit loss (“ECL”) model on loans receivable which are subject to impairment assessment under Hong Kong Financial Reporting Standard 9 issued by Hong Kong Institute of Certified Public Accountants. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition. In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the loans receivable’s external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, such as a significant increase in the credit spread, the credit default swap prices for the borrower;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the borrower’s ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the borrower; and
- an actual or expected significant adverse change in the regulatory, economic, or technological environments of the borrower that results in a significant decrease in the borrower’s ability to meet its debt obligations.

The Group seeks to maintain strict control over its outstanding loans receivable to minimize credit risk. Impairment allowances on outstanding loans receivable are determined by an evaluation of financial backgrounds, financial conditions and historical settlement records, including past due rates and default rates, of the borrowers and relevant information from public domain at the end of each reporting period. The borrowers are assigned different grading under internal credit ratings to calculate ECL, taking into consideration the estimates of expected cash shortfalls which are driven by estimates of possibility of default and the amount and timing of cash flows that are expected from foreclosure on the collaterals (if any) less the costs of obtaining and selling the collaterals.

As at 30 September 2022, included in the gross amount of loans receivables are HK\$51,930,000 (31 March 2022: HK\$60,930,000), net of accumulated impairment allowances of HK\$36,730,000 (31 March 2022: HK\$44,930,000) due from a group of borrowers including an individual (the “**Borrower**”) with gross amount of HK\$27,380,000 (31 March 2022: HK\$27,380,000) and other individuals (with personal guarantee from the Borrower) with gross amount of HK\$24,550,000 (31 March 2022: HK\$33,550,000). During the Period, the management assessed, taking into account the relevant information from public domain, such balances became credit-impaired and has taken various actions to recover the balances. The management has also negotiated with certain borrowers to make settlements of the loans and total settlements of HK\$9,000,000 were received from the borrowers during the Period.

Financial Review***Liquidity and Financial Resources***

As at 30 September 2022, total assets of the Group amounted to approximately HK\$5,035,900,000 (31 March 2022: approximately HK\$4,879,808,000). In terms of financial resources as at 30 September 2022, the Group's total bank balances and cash was approximately HK\$231,109,000 (31 March 2022: approximately HK\$82,099,000).

As at 30 September 2022, the Group has total bank borrowings of approximately HK\$1,761,704,000 (31 March 2022: approximately HK\$1,662,307,000). The Group's gearing ratio, which is calculated as a ratio of total bank borrowings to shareholders' equity was approximately 0.6 (31 March 2022: approximately 0.6). As at 30 September 2022, the Group's current ratio was approximately 5.0 (31 March 2022: approximately 3.8).

The Group financed its operations primarily with recurring cash flow generated from its operations, proceeds raised from the capital market and bank financing.

Charges on Assets

As at 30 September 2022, the Group had bank loans amounting to approximately HK\$1,761,704,000 (31 March 2022: approximately HK\$1,662,307,000) which were secured by the Group's properties with an aggregate net book value of approximately HK\$998,953,000 (investment properties), approximately HK\$3,104,784,000 (properties held for development for sale) and approximately HK\$13,345,000 (life insurance policies) respectively (31 March 2022: approximately HK\$939,880,000, HK\$3,020,650,000 and HK\$12,914,000 respectively).

Exposure of Foreign Exchange Fluctuations

Most of the Group's revenues and payments are denominated in Hong Kong dollars, United States dollars, Singapore dollars and Renminbi. During the Period, the Group did not have significant exposure to the fluctuation in exchange rates and thus, no financial instrument for hedging purposes was employed. The Group considered the risk of exposure to the currency fluctuation to be minimal.

Contingent Liabilities

The Group did not have any significant contingent liabilities as at 30 September 2022 (31 March 2022: nil).

Capital Structure

As at 30 September 2022, the total number of issued ordinary shares of the Company ("Share(s)") was 2,125,924,676 (31 March 2022: 931,458,010 Shares) and the nominal value per Share was HK\$0.01 (31 March 2022: HK\$0.01).

For movement of the total number of issued Shares during the Period, please refer to the sections headed “Placing of New Shares under General Mandate”, “Conversion of the Goodco Convertible Notes” and “Placing of New Shares under Specific Mandate” below.

Capital Expenditures and Capital Commitments

Capital Expenditures

During the Period, the Group invested approximately HK\$562,000 (2021 Period: approximately HK\$980,000) in the purchase of property, plant and equipment, and spent nil (2021 Period: approximately HK\$1,432,000) on addition of investment properties. These capital expenditures were financed from internal resources and funds from previous fund raising activities of the Company.

Capital Commitments

As at 30 September 2022, the Group had capital commitments in respect of capital expenditure contracted for but not provided of approximately HK\$19,635,000 (31 March 2022: approximately HK\$20,339,000).

Changes in Fair Value of Investment Properties

During the Period, there was a gain of approximately HK\$69,192,000 on changes in fair value of investment properties (2021 Period: gain of approximately HK\$30,828,000).

Finance Costs

Finance costs were approximately HK\$9,651,000 for the Period, which decreased by approximately HK\$458,000 or approximately 4.5% from approximately HK\$10,109,000 in 2021 Period. Included in the finance costs of approximately HK\$4,396,000 (2021 Period: approximately HK\$6,110,000) was the effective interest expense on the convertible notes.

Changes since 31 March 2022

Save as disclosed, there were no other significant changes in the Group’s financial statements or from the information disclosed in 2022 Annual Report.

Placing of New Shares under General Mandate

On 30 March 2022, Kingston Securities Limited (the “**Placing Agent**”) and the Company entered into a conditional placing agreement (the “**Placing Agreement 1**”) pursuant to which the Company has conditionally agreed to place through the Placing Agent, on a best effort basis, up to 186,280,000 new Shares at the placing price of HK\$0.10 per placing Share to not less than six (6) placees who and whose ultimate beneficial owners are independent third parties. The placing Shares were allotted and issued under the general mandate granted to the Directors by resolution of the Shareholders passed at an annual general meeting of the Company held on 13 August 2021 (the “**Placing under General Mandate**”).

On 20 April 2022, all conditions to the Placing Agreement 1 have been fulfilled and the completion of the Placing under General Mandate took place. The total number of issued Shares increased from 931,458,010 to 1,117,738,010, and the conversion price of the convertible note issued to Goodco Development Limited (“**Goodco**”, a substantial Shareholder) on 28 August 2019 has been adjusted from HK\$0.25 to HK\$0.24 per Share with effect from 20 April 2022.

As at 30 September 2022, the net proceeds from the Placing under General Mandate (after deducting the placing commission and other relevant costs and expenses) amounted to approximately HK\$18,380,000 were fully utilized as the Group’s general working capital.

Further information can be found in the Company’s announcements dated 30 March 2022 and 20 April 2022 respectively.

Conversion of the Goodco Convertible Notes

On 25 July 2022, the Company received the conversion notices from Goodco, the noteholder of three (3) convertible notes issued to Goodco on 11 May 2017, 26 September 2017 and 28 August 2019 respectively (the “**Goodco Convertible Notes**”), requesting to exercise its conversion rights in full attached to the Goodco Convertible Notes to convert a total principal amount of HK\$97,280,000 into an aggregate of 400,786,666 conversion Shares (the “**Conversion**”). On the same date, upon completion of the Conversion, 400,786,666 Shares were issued and allotted to Goodco, and the total number of issued Shares increased from 1,117,738,010 to 1,518,524,676.

As at 30 September 2022, there was no outstanding convertible notes of the Company.

Placing of New Shares under Specific Mandate

On 27 July 2022, the Placing Agent and the Company entered into a conditional placing agreement (the “**Placing Agreement 2**”) pursuant to which the Company has conditionally agreed to place through the Placing Agent, on a best effort basis, a maximum of up to 607,400,000 new Shares at the placing price of HK\$0.068 per placing Share to not less than six (6) placees who and whose ultimate beneficial owners are independent third parties. The placing Shares were allotted and issued under the specific mandate granted to the Directors by resolution of the Shareholders passed at a special general meeting of the Company held on 14 September 2022 (the “**Placing under Specific Mandate**”).

On 26 September 2022, all conditions to the Placing Agreement 2 have been fulfilled and the completion of the Placing under Specific Mandate took place. A total of 607,400,000 placing Shares have been successfully placed by the Placing Agent to not less than six (6) placees at the placing price of HK\$0.068 per placing Share pursuant to the terms and conditions of the Placing Agreement 2. The total number of issued Shares increased from 1,518,524,676 to 2,125,924,676.

The net proceeds from the Placing under Specific Mandate (after deducting the placing commission and other relevant costs and expenses) amounted to approximately HK\$40,800,000 will be used for the Group’s general working capital.

APPENDIX III FINANCIAL INFORMATION OF THE EMINENCE GROUP

Further information can be found in the Company's announcements dated 27 July 2022, 14 September 2022 and 26 September 2022 respectively and circular dated 23 August 2022.

Update on Use of Proceeds in relation to the Placing under Specific Mandate

The details of an update on the use of proceeds during the Period are set out in the following table:

Expected use of net proceeds	Amount of net proceeds <i>HK\$ million</i> <i>(approximately)</i>	Actual use of	Unutilized	Expected timeline of utilization
		net proceeds up to 30 September 2022 <i>HK\$ million</i> <i>(approximately)</i>	proceeds up to 30 September 2022 <i>HK\$ million</i> <i>(approximately)</i>	
Salaries	12.5	–	12.5	February 2023
Administrative expenses	6.8	–	6.8	February 2023
Finance costs	18.5	–	18.5	February 2023
General working capital	3.0	–	3.0	February 2023
	40.8	–	40.8	

Material Acquisition and Disposals

(1) Discloseable Transaction – Acquisition of Equity Linked Note

On 19 April 2022, Fanju Investments Limited (a direct wholly-owned subsidiary of the Company) acquired an equity linked note (the “ELN”) which is linked to the shares of BOC Hong Kong (Holdings) Limited (stock code: 2388) for a principal amount of HK\$20,000,000 (before expenses). The coupon rate for the ELN was 15% per annum. Such ELN was matured on 6 July 2022. The acquisition constituted a discloseable transaction for the Company under Rule 14.06(2) of the Listing Rules.

Further information can be found in the joint announcement issued by Easyknit International Holdings Limited (“Easyknit”) (stock code: 1218) and the Company dated 20 April 2022.

(2) Discloseable Transaction – Disposals of Listed Securities

Goldchamp International Limited and Clever Wise Holdings Limited, both being indirect wholly-owned subsidiaries of the Company, disposed on-market a total of 3,800,000 shares of China Construction Bank Corporation (stock code: 939) on 7 September 2022 and 9 September 2022 respectively for an aggregate consideration of approximately HK\$18,050,000 (exclusive of expenses) (equivalent to an average price of approximately HK\$4.75 per disposed share). The disposals constituted a discloseable transaction for the Company under Rule 14.06(2) of the Listing Rules.

Further information can be found in the joint announcement issued by Easyknit and the Company dated 13 September 2022.

Employees

As at 30 September 2022, the Group had 59 employees (30 September 2021: 63). Staff costs (including the Directors' emoluments) amounted to approximately HK\$14,308,000 for the Period (2021 Period: approximately HK\$12,749,000). The Group remunerates its employees based on their performance, experience and prevailing industry practice. The Group has participated in the Mandatory Provident Fund Scheme for all eligible employees of the Group in Hong Kong as required under the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) and has made contributions to the state-sponsored pension scheme operated by the PRC government for the PRC employees. Other benefits to employees include medical and dental scheme and insurance coverage.

Prospects

The Group will continue focusing its efforts on the development of its existing principal businesses, including property development, property investment, investment in securities and others and loan financing business while exploring other potential projects with a view to providing steady and favourable returns to the Shareholders and bringing increased values to the Group's stakeholders.

Despite the increasing uncertainties on global economic growth brought by high inflation, rising interest rates, geo-political tensions and ongoing COVID-19 pandemic, the Group continuously and closely monitors the current situation and remains prudently optimistic about the prospects of the property and securities markets in Hong Kong and believes these markets will continue to grow over the longer term of the Hong Kong markets.

In line with its investment strategy and policy, the Company will continue to identify appropriate investment and divestment opportunities during this challenging period that fit the objective and investment criteria of the Company, and will continue to seek attractive opportunities to replenish its property portfolio as an ongoing business exercise. The Board would exercise utmost caution so as to bring long-term benefits to the operating and financial results of the Company in the foreseeable future.

Purchase, Sale or Redemption of the Company's Listed Securities

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the Period.

A. UNAUDITED PROFIT AND LOSS STATEMENT OF THE PROPERTY

	For the year ended 31 March		
	2023	2022	2021
	HK\$'000	HK\$'000	HK\$'000
The Property			
Rental income	943	953	909
Administrative expenses	(212)	(234)	(259)
Gain (loss) on changes in fair value of the property	<u>5,694</u>	<u>11,226</u>	<u>(1,986)</u>
Profit (loss) and total comprehensive income (expense) for the year	<u><u>6,425</u></u>	<u><u>11,945</u></u>	<u><u>(1,336)</u></u>

The above unaudited profit and loss statement of the Property for the three years ended 31 March 2021, 2022 and 2023 has been prepared by Eminence by reference to the Eminence Group's books and records and on the basis of preparation as stated below:

- (i) The rental income represents income from leasing out of the Property.
- (ii) Administrative expenses mainly represent property tax, building management fees, repair and maintenance of the Property.
- (iii) The procedures have been undertaken by ZHONGHUI ANDA CPA Limited ("ZHONGHUI"), the reporting accountant of the Company, in accordance with the Hong Kong Standard on Related Services ("HKSRS") 4400 (Revised) "Agreed-upon Procedure Engagements" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") to assess whether such information was in agreement with the underlying books and records of the Property.

The work performed by ZHONGHUI in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagement, Hong Kong Standards on Assurance Engagement or Hong Kong Standards on Investment Circular Reporting Engagement issued by the HKICPA and consequently no assurance has been expressed by ZHONGHUI on the profit and loss statement of the Property.

B. VALUATION OF THE PROPERTY

	As at 31 March		
	2023	2022	2021
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
The Property	<u>67,494</u>	<u>60,459</u>	<u>49,197</u>

The valuations of the Property as at 31 March 2021, 2022 and 2023 are based on the valuation reports issued by Edmund Tie & Company (SEA) Pte Ltd, a firm of independent professional property valuer.

APPENDIX V UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE REMAINING EMINENCE GROUP

INTRODUCTION

The accompanying unaudited pro forma consolidated statement of profit or loss and other comprehensive income and net assets statement of the Remaining Eminence Group (the “**Unaudited Pro Forma Financial Information**”) have been prepared to illustrate the effect of the disposal of the Property at the Sale Price subject to the terms and conditions of the Option to Purchase (the “**Disposal**”) might have affected the financial information of the Eminence Group.

The unaudited pro forma consolidated statement of profit or loss and other comprehensive income of the Remaining Eminence Group for the year ended 31 March 2022 are prepared based on the audited consolidated statement of profit or loss and other comprehensive income of the Eminence Group for the year ended 31 March 2022 as extracted from the annual report of the Eminence Group for the year ended 31 March 2022 as if the Disposal had been completed on 1 April 2021.

The unaudited pro forma consolidated net assets statement of the Remaining Eminence Group as at 30 September 2022 is prepared based on the unaudited condensed consolidated statement of financial position of the Eminence Group as at 30 September 2022 as extracted from the interim report of the Eminence Group for the six months ended 30 September 2022 as if the Disposal had been completed on 30 September 2022.

The Unaudited Pro Forma Financial Information of the Remaining Eminence Group is prepared based on a number of assumptions, estimates, uncertainties and currently available information, and is provided for illustrative purposes only. Accordingly, as a result of the nature of the Unaudited Pro Forma Financial Information of the Remaining Eminence Group, it may not give a true picture of the actual financial position and results of operation of the Remaining Eminence Group that would have been attained had the Disposal actually occurred on the dates indicated herein. Furthermore, the Unaudited Pro Forma Financial Information of the Remaining Eminence Group does not purport to predict the Remaining Eminence Group’s future financial position and results of operation.

The Unaudited Pro Forma Financial Information should be read in conjunction with the financial information of the Eminence Group as set out in appendix III and other financial information included elsewhere in this joint circular.

**APPENDIX V UNAUDITED PRO FORMA FINANCIAL INFORMATION OF
THE REMAINING EMINENCE GROUP**

**A. UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME OF THE REMAINING EMINENCE GROUP**

	Eminence Group for the year ended 31 March 2022	Pro forma adjustments			Unaudited pro forma total for the Remaining Eminence Group
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Note 1)	(Note 2)	(Note 3)	(Note 4)	
Revenue					
Rental income	38,738	(953)	–	–	37,785
Management fee income	18,007	–	–	–	18,007
Interest income from loan financing	7,730	–	–	–	7,730
	<u>64,475</u>	<u>(953)</u>	<u>–</u>	<u>–</u>	<u>63,522</u>
Cost of services rendered	(2,910)	–	–	–	(2,910)
	<u>61,565</u>	<u>(953)</u>	<u>–</u>	<u>–</u>	<u>60,612</u>
Other income	9,464	–	–	–	9,464
Other gains and losses	38	–	–	–	38
Other expenses	(231)	–	–	–	(231)
Administrative expenses	(50,660)	234	–	–	(50,426)
Gain (loss) on changes in fair value of investment properties	63,054	(11,226)	–	–	51,828
Gain on disposal of an investment property	–	–	–	24,711	24,711
Loss on revaluation of intangible assets	(723)	–	–	–	(723)
Release on disposal of debt instruments at fair value through other comprehensive income	(4,726)	–	–	–	(4,726)
Write-back on properties held for development for sale, net	79,919	–	–	–	79,919
Gain on settlement of loans receivable by properties	35,846	–	–	–	35,846
Impairment loss on financial assets, net:					
– Loans receivable	(21,461)	–	–	–	(21,461)
– Debt instruments at fair value through other comprehensive income	(9,453)	–	–	–	(9,453)
– Debt instrument at amortised cost	(914)	–	–	–	(914)
Net loss on changes in fair value of financial assets at fair value through profit or loss	(17,736)	–	–	–	(17,736)
Finance costs	(20,485)	–	197	–	(20,288)

**APPENDIX V UNAUDITED PRO FORMA FINANCIAL INFORMATION OF
THE REMAINING EMINENCE GROUP**

	Eminence Group for the year ended 31 March 2022	Pro forma adjustments		Unaudited pro forma total for the Remaining Eminence Group	
	HK\$'000 (Note 1)	HK\$'000 (Note 2)	HK\$'000 (Note 3)	HK\$'000 (Note 4)	
Profit before taxation	123,497	(11,945)	197	24,711	136,460
Taxation charge	(7,050)	-	-	-	(7,050)
Profit for the year attributable to owners of Eminence	<u>116,447</u>	<u>(11,945)</u>	<u>197</u>	<u>24,711</u>	<u>129,410</u>
Other comprehensive income (expense)					
<i>Items that may be reclassified subsequently to profit or loss:</i>					
Exchange differences arising on translation of financial statements of foreign operations	13,798	-	-	-	13,798
Change in fair value of debt instruments at fair value through other comprehensive income	(10,530)	-	-	-	(10,530)
Release on disposal of debt instruments at fair value through other comprehensive income	4,726	-	-	-	4,726
Impairment loss on debt instruments at fair value through other comprehensive income included in profit or loss	9,453	-	-	-	9,453
Other comprehensive income for the year	<u>17,447</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,447</u>
Total comprehensive income for the year attributable to owners of Eminence	<u><u>133,894</u></u>	<u><u>(11,945)</u></u>	<u><u>197</u></u>	<u><u>24,711</u></u>	<u><u>146,857</u></u>

Notes to the unaudited pro forma consolidated statement of profit or loss and other comprehensive income:

- The figures are extracted from the audited consolidated statement of profit or loss and other comprehensive income of the Eminence Group for the year ended 31 March 2022 as set out in the annual report of the Eminence Group for the year ended 31 March 2022.
- The adjustment represents the exclusion of the identifiable net income stream of the Property for the year ended 31 March 2022, assuming the disposal of the Property has taken place on 1 April 2021. The financial information of the Property is extracted from unaudited profit and loss statement of the Property for the year ended 31 March 2022 as set out in appendix IV to this joint circular.

**APPENDIX V UNAUDITED PRO FORMA FINANCIAL INFORMATION OF
THE REMAINING EMINENCE GROUP**

3. The adjustment represents reversal of the bank loan interest expenses for the year ended 31 March 2022, assuming the Eminence Group has repaid loan amount and redeemed charge of the Property and thus such mortgage will be released upon completion of the Disposal.

4. For pro forma purpose, it is assumed that, upon the Disposal has been completed on 1 April 2021, the adjustment represents gain on disposal of the Property of approximately HK\$24,711,000 arising from the Property with a carrying amount of approximately HK\$49,197,000 (equivalent to approximately S\$8,550,000 which is the fair value of the Property as at 31 March 2021 based on the valuation report issued by Edmund Tie & Company (SEA) Pte Ltd, a firm of independent professional property valuer) for the Sale Price of approximately HK\$74,853,000 (equivalent to S\$13,008,888) less the property agency fee of approximately HK\$749,000 (equivalent to approximately S\$130,000) and the estimated transaction costs of approximately HK\$196,000 which directly attributable to the Disposal.

The details of the calculation of gain on disposal of the Property are set out as follows:

	<i>HK\$'000</i>
Consideration	
– Cash	74,853
Less:	
– The Property	(49,197)
– Property agency fee	(749)
– Estimated transaction costs	(196)
Gain on disposal of the Property	24,711

5. All the adjustments have no continuing effect.

6. No adjustments have been made to reflect any trading results or other transactions of the Eminence Group entered into subsequent to 31 March 2022.

**APPENDIX V UNAUDITED PRO FORMA FINANCIAL INFORMATION OF
THE REMAINING EMINENCE GROUP**

**B. UNAUDITED PRO FORMA CONSOLIDATED NET ASSETS STATEMENT OF THE
REMAINING EMINENCE GROUP**

	Eminence Group as at 30 September 2022				Unaudited pro forma total for the Remaining Eminence Group HK\$'000
	Pro forma adjustments				
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
	(Note 1)	(Note 2)	(Note 3)	(Note 4)	
Non-current assets					
Property, plant and equipment	5,147	–	–	–	5,147
Right-of-use assets	2,499	–	–	–	2,499
Investment properties	1,384,497	(61,062)	–	–	1,323,435
Intangible assets	2,030	–	–	–	2,030
Loans receivable	18,373	–	–	–	18,373
Financial assets at fair value through profit or loss	41,286	–	–	–	41,286
Debt instruments at fair value through other comprehensive income	370	–	–	–	370
Debt instrument at amortised cost	22,576	–	–	–	22,576
Other receivables	6,000	–	–	–	6,000
Deferred tax assets	6,820	–	–	–	6,820
	<u>1,489,598</u>	<u>(61,062)</u>	<u>–</u>	<u>–</u>	<u>1,428,536</u>
Current assets					
Properties held for development for sale	3,104,784	–	–	–	3,104,784
Trade and other receivables	120,088	–	–	–	120,088
Loans receivable	50,977	–	–	–	50,977
Financial assets at fair value through profit or loss	38,453	–	–	–	38,453
Debt instruments at fair value through other comprehensive income	891	–	–	–	891
Bank balances and cash	231,109	70,019	(150)	(11,199)	289,779
	<u>3,546,302</u>	<u>70,019</u>	<u>(150)</u>	<u>(11,199)</u>	<u>3,604,972</u>

**APPENDIX V UNAUDITED PRO FORMA FINANCIAL INFORMATION OF
THE REMAINING EMINENCE GROUP**

	Eminence Group as at 30 September 2022	Pro forma adjustments			Unaudited pro forma total for the Remaining Eminence Group
	HK\$'000 (Note 1)	HK\$'000 (Note 2)	HK\$'000 (Note 3)	HK\$'000 (Note 4)	HK\$'000
Current liabilities					
Trade and other payables	73,451	–	(150)	(2)	73,299
Tax payable	9,760	–	–	–	9,760
Secured bank borrowings	618,347	–	–	(11,197)	607,150
Lease liabilities	2,390	–	–	–	2,390
	<u>703,948</u>	<u>–</u>	<u>(150)</u>	<u>(11,199)</u>	<u>692,599</u>
Net current assets	<u>2,842,354</u>	<u>70,019</u>	<u>–</u>	<u>–</u>	<u>2,912,373</u>
Total assets less current liabilities	<u>4,331,952</u>	<u>8,957</u>	<u>–</u>	<u>–</u>	<u>4,340,909</u>
Non-current liabilities					
Deferred tax liabilities	21,351	–	–	–	21,351
Secured bank borrowings	1,143,357	–	–	–	1,143,357
Lease liabilities	162	–	–	–	162
	<u>1,164,870</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>1,164,870</u>
Net assets	<u><u>3,167,082</u></u>	<u><u>8,957</u></u>	<u><u>–</u></u>	<u><u>–</u></u>	<u><u>3,176,039</u></u>

Notes to the unaudited pro forma consolidated net assets statement:

- The figures are extracted from the unaudited condensed consolidated statement of financial position of the Eminence Group as at 30 September 2022 as set out in the interim report of the Eminence Group for the six months ended 30 September 2022.
- For pro forma purpose, it is assumed that, upon the Disposal has been completed on 30 September 2022, the adjustment represents gain on disposal of the Property of approximately HK\$8,957,000 arising from the Property with a carrying amount of approximately HK\$61,062,000 (equivalent to approximately S\$11,200,000 which is the fair value of the Property as at 30 September 2022 based on the valuation report issued by Edmund Tie & Company (SEA) Pte Ltd, a firm of independent professional property valuer) for the Sale Price of approximately HK\$70,924,000 (equivalent to S\$13,008,888) less the property agency fee of approximately HK\$709,000 (equivalent to approximately S\$130,000) and the estimated transaction costs of approximately HK\$196,000 which directly attributable to the Disposal.

**APPENDIX V UNAUDITED PRO FORMA FINANCIAL INFORMATION OF
THE REMAINING EMINENCE GROUP**

The details of the calculation of gain on disposal of the Property are set out as follows:

	<i>HK\$'000</i>
Consideration	
– Cash	70,924
	<hr/>
Less:	
– The Property	(61,062)
– Property agency fee	(709)
– Estimated transaction costs	(196)
	<hr/>
Gain on disposal of the Property	8,957
	<hr/> <hr/>

3. The adjustment represents refund of rental deposits received of approximately HK\$150,000 to respective tenant upon disposal of the Property.
4. The adjustment represents the repayment of bank loan and interest accrued upon the completion of the Disposal as the bank loan is secured by charges over the Property.
5. No adjustments have been made to reflect any trading results or other transactions of the Eminence Group entered into subsequent to 30 September 2022.

APPENDIX V UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE REMAINING EMINENCE GROUP

C. 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 joint circular, from the independent reporting accountant, ZHONGHUI ANDA CPA Limited, Certified Public Accountants, Hong Kong.



8 May 2023

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 (“**Eminence**”) and its subsidiaries (hereinafter collectively referred to as the “**Eminence Group**”) by the directors of Eminence for illustrative purposes only. The pro forma financial information consists of the unaudited pro forma consolidated net assets statement as at 30 September 2022, the unaudited pro forma consolidated statement of profit or loss and other comprehensive income for the year ended 31 March 2022 and related notes as set out on pages V-2 to V-7 of the circular jointly issued by Eminence and Easyknit International Holdings Limited (“**Easyknit**”) dated 8 May 2023. The applicable criteria on the basis of which the directors have compiled the pro forma financial information are described on page V-1.

The pro forma financial information has been compiled by the directors to illustrate the effect of the disposal of the Property at the Sale Price subject to the terms and conditions of the Option to Purchase (the “**Disposal**”) on the Eminence Group’s financial position as at 30 September 2022 and on the Eminence Group’s financial performance for the year ended 31 March 2022 as if the Disposal had been taken place at 30 September 2022 and 1 April 2021 respectively. As part of this process, information about the Eminence Group’s financial position has been extracted by the directors from the Eminence Group’s unaudited condensed consolidated financial statements for the six months ended 30 September 2022, on which no review report has been published; and information about the financial performance has been extracted by the directors from the Eminence Group’s audited consolidated financial statements for the year ended 31 March 2022, on which an auditor’s 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 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 Management

We have complied with the independence and other ethical requirements 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 behavior.

The firm applies Hong Kong Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or 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 Prospectus" 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 circular jointly issued by Eminence and Easyknit is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Eminence 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 30 September 2022 and 1 April 2021 would have been as presented.

APPENDIX V UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE REMAINING EMINENCE GROUP

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.

The procedures selected depend on the reporting accountant's judgment, having regard to the reporting accountant's understanding of the nature of the Eminence 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.

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 unaudited 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
Hong Kong

1. RESPONSIBILITY STATEMENT

This joint circular, for which the Easyknit 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 Easyknit. The Easyknit Directors, have made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this joint circular 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 this joint circular misleading.

2. DISCLOSURE OF INTERESTS

(a) Directors' Interest in Easyknit Shares, Underlying Easyknit Shares and Debentures

As at the Latest Practicable Date, the interests and short positions of the Easyknit Directors and chief executive of Easyknit in the Easyknit Shares, underlying Easyknit Shares and debenture of Easyknit or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the “SFO”), as recorded in the register required to be kept by Easyknit under section 352 of the SFO, or as otherwise notified to Easyknit and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) contained in the Listing Rules, were as follows:

Long positions in the ordinary Easyknit Shares and the underlying Easyknit Shares

Name of Easyknit Director	Number of Ordinary Easyknit Shares				Total	Approximate % of Shareholding (Note vi)
	Personal Interest	Family Interest	Corporate Interest	Other Interest		
Koon Ho Yan Candy (“Ms. Koon”)	73,000 (Note i)	–	–	29,179,480 (Note ii)	29,252,480	39.53%
Lui Yuk Chu (“Ms. Lui”)	73,000 (Note iii)	73,000 (Note iv)	11,429,664 (Note v)	–	11,575,664	15.64%

Notes:

- (i) These interest represent options granted to Ms. Koon as beneficial owner under the share option scheme of Easyknit adopted on 5 July 2012 (the “Share Option Scheme”).
- (ii) 29,179,480 shares are registered in the name of and are beneficially owned by Magical Profits Limited which is wholly-owned by Accumulate More Profits Limited which in turn is wholly-owned by the Winterbotham Trust Company Limited in its capacity as the trustee of The Magical 2000 Trust (the beneficiaries of which include Ms. Koon). As a result, Ms. Koon is deemed to be interested in the Easyknit Shares by virtue of her capacity as one of the beneficiaries of The Magical 2000 Trust.
- (iii) These interest represent options granted to Ms. Lui as beneficial owner under the Share Option Scheme.

- (iv) These interest represent options granted to Mr. Koon Wing Yee (“**Mr. Koon**”), the spouse of Ms. Lui, as beneficial owner under the Share Option Scheme. Ms. Lui is deemed to be interested in those shares in which her spouse, Mr. Koon, was interested.
- (v) 11,429,664 Easyknit Shares are owned by Sea Rejoice Limited which is wholly and beneficiary owned by Ms. Lui.
- (vi) The percentage represented the number of Easyknit Shares over the total issued share capital of Easyknit as at the Latest Practicable Date was 73,988,403 shares.

Save as disclosed above, as at the Latest Practicable Date, none of the Easyknit Directors or chief executives of Easyknit had any interests or short positions in the Easyknit Shares, underlying Easyknit Shares and debentures of Easyknit or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to Easyknit and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interest 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 Easyknit under Section 352 of the SFO, or which were required to be notified to Easyknit and the Stock Exchange pursuant to the Model Code.

(b) Substantial Easyknit Shareholders’ Interest

Substantial Shareholders’ Interest in Easyknit Shares and Underlying Easyknit Shares

As at the Latest Practicable Date, the persons (other than the Easyknit Directors or the chief executives of Easyknit) who had an interest or a short position in the Easyknit Shares and underlying Easyknit Shares which would fall to be disclosed to Easyknit under the provisions of Division 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by Easyknit under Section 336 of the SFO were as follows:

Long positions in the ordinary Easyknit Shares and the underlying Easyknit Shares

Name of Shareholder	Notes	Capacity	Number of Shares Held	Approximate	
				Total	% of Shareholding
Magical Profits Limited	<i>i</i>	Beneficial owner	29,179,480	29,179,480	39.43%
Accumulate More Profits Limited	<i>i</i>	Interest of controlled corporation	29,179,480	29,179,480	39.43%
The Winterbotham Trust Company Limited	<i>i</i>	Trustee	29,179,480	29,179,480	39.43%
Winterbotham Holdings Limited	<i>i</i>	Interest of controlled corporation	29,179,480	29,179,480	39.43%

Name of Shareholder	Notes	Capacity	Number of Shares Held	Approximate % of Shareholding	
				Total	
Christopher Geoffrey Douglas Hooper	<i>i</i>	Interest of controlled corporation	29,179,480	29,179,480	39.43%
Mr. Koon	<i>ii</i>	Interest of spouse	11,502,664		
	<i>iii</i>	Beneficial owner	73,000	11,575,664	15.64%
Sea Rejoice Limited	<i>ii</i>	Beneficial owner	11,429,664	11,429,664	15.44%

Notes:

- (i) 29,179,480 Easyknit Shares are registered in the name of and are beneficially owned by Magical Profits Limited, which is wholly-owned by Accumulate More Profits Limited which in turn is wholly-owned by The Winterbotham Trust Company Limited in its capacity as the trustee of The Magical 2000 Trust (the beneficiaries of which include Ms. Koon, an executive Easyknit Director). The Winterbotham Trust Company Limited is owned as to 75% by Winterbotham Holdings Limited. Winterbotham Holdings Limited is owned as to approximately 99.99% by Mr. Christopher Geoffrey Douglas Hooper.
- (ii) 11,429,664 Easyknit Shares are owned by Sea Rejoice Limited which is wholly and beneficially owned by Ms. Lui, an executive Easyknit Director. On 30 August 2021, Ms. Lui was granted 73,000 share options of Easyknit under the Share Option Scheme. Mr. Koon, being the spouse of Ms. Lui, is deemed to be interested in 11,502,664 Easyknit Shares by virtue of the SFO.
- (iii) These interest represent options granted to Mr. Koon as beneficial owner under the Share Option Scheme.
- (iv) The percentage represented the number of Easyknit Shares over the total issued share capital of Easyknit as at the Latest Practicable Date was 73,988,403 shares.

Save as disclosed above, as at the Latest Practicable Date, Easyknit had not been notified by any persons (other than the Easyknit Directors or chief executive of Easyknit) who had interest or short positions in the Easyknit Shares and underlying Easyknit Shares which would fall to be disclosed to Easyknit under the provisions of Division 2 and 3 of Part XV of the SFO, or which were required to be recorded in the register kept by Easyknit under Section 336 of the SFO.

3. DIRECTORS' SERVICE CONTRACTS

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

4. EASYKNIT DIRECTORS' INTEREST IN COMPETING BUSINESS

Name of Easyknit Director	Name of company	Nature of competing business	Nature of interest
Lui Yuk Chu	Eminence	Property development, property investment, securities and other investment and loan financing	Eminence Director

Save as disclosed in this joint circular, as at the Latest Practicable Date, none of the Easyknit 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 Easyknit Group as required to be disclosed pursuant to the Listing Rules.

5. LITIGATION

As at the Latest Practicable Date, neither Easyknit nor any of its subsidiaries were engaged in any litigation or claims of material importance and, so far as the Easyknit Directors are aware, there was no litigation or claim of material importance pending or threatened by or against Easyknit or any of its subsidiaries.

6. EASYKNIT DIRECTORS' INTEREST IN CONTRACTS AND ASSETS

As at the Latest Practicable Date:

- (a) none of the Easyknit Directors was materially interested in any contract or arrangement, which was subsisting and was significant in relation to the business of the Easyknit Group; and
- (b) none of the Easyknit Directors had any direct or indirect interest in any assets which have been, since 31 March 2022 (being the date to which the latest published audited consolidated accounts of the Easyknit Group were made up), acquired or disposed of by or leased to any member of the Easyknit Group, or are proposed to be acquired or disposed of by or leased to any member of the Easyknit Group.

7. MATERIAL CONTRACTS

The following contracts, not being contracts in the ordinary course of business of the Easyknit Group, were entered into by the Easyknit Group within two (2) years immediately preceding the date of this joint circular which are or may be material:

Easyknit Group

- (a) four (4) respective conditional sale and purchase agreements dated 30 November 2022 entered into between Easyknit Properties Holdings Limited (“**Easyknit Properties**”, a wholly-owned subsidiary of Easyknit) and Eminence for, inter alia, the sale by Easyknit Properties and purchase by Eminence of the companies set out below for an aggregate consideration of HK\$340,000,000:-
- (i) the entire issued share capital in On Channel International Limited (“**On Channel**”, an indirect wholly-owned subsidiary of Easyknit) and the assignment of the shareholder’s loan owing by On Channel to Easyknit Group for an aggregate of the purchase price of HK\$44,000,000;
 - (ii) the entire issued share capital in Day Glory Investment Limited (“**Day Glory**”, an indirect wholly-owned subsidiary of Easyknit) and the assignment of the shareholder’s loan owing by Day Glory to Easyknit Group for an aggregate of the purchase price of HK\$24,800,000;
 - (iii) the entire issued share capital in Well Honest Investment Limited (“**Well Honest**”, an indirect wholly-owned subsidiary of Easyknit) and the assignment of the shareholder’s loan owing by Well Honest to Easyknit Group for an aggregate of the purchase price of HK\$24,200,000; and
 - (iv) the entire issued share capital in Asia Million Investment Limited (“**Asia Million**”, an indirect wholly-owned subsidiary of Easyknit) and the assignment of the shareholder’s loan owing by Asia Million to Easyknit Group for an aggregate of the purchase price of HK\$247,000,000.

Details of the above were set out in the announcement and circular jointly issued by Easyknit and Eminence dated 14 December 2022 and 21 January 2023.

Eminence Group

- (a) the deed of settlement dated 4 March 2022 entered into between Shui Kam Enterprises Limited and City China International Limited (an indirect wholly-owned subsidiary of Eminence) in relation to the settlement of the outstanding loans of HK\$39,834,292.14 under the loan agreements in return for a property situated at Lots Nos. 1278, 1279 and 1280 all in D. D. No. 124 Yuen Long, New Territories, Hong Kong with a valuation of HK\$40,000,000;
- (b) the conditional placing agreement dated 30 March 2022 entered into between Kingston Securities Limited (“**Kingston**”) (as placing agent) and Eminence (as issuer) in relation to the placing, on a best effort basis, of up to 186,280,000 new Eminence Shares at the placing price of HK\$0.10 per placing Eminence Share under general mandate for net proceeds of approximately HK\$18,380,000;

- (c) the conditional placing agreement dated 27 July 2022 entered into between Kingston (as placing agent) and Eminence (as issuer) in relation to the placing, on a best effort basis, of up to 607,400,000 new Eminence Shares at the placing price of HK\$0.068 per placing Eminence Share under specific mandate for net proceeds of approximately HK\$40,800,000;
- (d) the land resumption agreement dated 5 October 2022 entered into between the People’s Government of Zhili Town, Wuxing District, Huzhou City, Zhejiang Province, the PRC (the “**Huzhou Government**”) and Easyknt Enterprises (Huzhou) Co., Ltd. (“**Enterprises Huzhou**”, an indirect wholly-owned subsidiary of Eminence) in relation to the resumption of properties situated at Huzhou City, Zhejiang Province of the PRC which are owned by Enterprises Huzhou at a compensation amount of RMB386,982,000 (equivalent to approximately HK\$441,159,000) payable by the Huzhou Government to Enterprises Huzhou;
- (e) the agreement dated 4 November 2022 entered into between the Vendor and Claire Huang and Eva Huang (as purchasers) in relation to the grant and exercise of the option to purchase the property at 15 Ardmore Park #06-04, Ardmore Park, Singapore 259959 at the sale price of S\$12,500,000 (equivalent to approximately HK\$68,750,000);
- (f) the conditional sale and purchase agreement dated 30 November 2022 between Easyknt Properties Holdings Limited (“**Easyknt Properties**”) (as seller), a wholly-owned subsidiary of Easyknt, and Eminence (as purchaser) for the sale and purchase of the entire issued share capital and the assignment of loan of On Channel International Limited at the aggregate purchase price of HK\$44,000,000;
- (g) the conditional sale and purchase agreement dated 30 November 2022 between Easyknt Properties (as seller), a wholly-owned subsidiary of Easyknt, and Eminence (as purchaser) for the sale and purchase of the entire issued share capital and the assignment of loan of Day Glory Investment Limited at the aggregate purchase price of HK\$24,800,000;
- (h) the conditional sale and purchase agreement dated 30 November 2022 between Easyknt Properties (as seller), a wholly-owned subsidiary of Easyknt, and Eminence (as purchaser) for the sale and purchase of the entire issued share capital and the assignment of loan of Well Honest Investment Limited at the aggregate purchase price of HK\$24,200,000;
- (i) the conditional sale and purchase agreement dated 30 November 2022 between Easyknt Properties (as seller), a wholly-owned subsidiary of Easyknt, and Eminence (as purchaser) for the sale and purchase of the entire issued share capital and the assignment of loan of Asia Million Investment Limited at the aggregate purchase price of HK\$247,000,000; and
- (j) the Option to Purchase.

8. EXPERT AND CONSENT

The following is the qualification of the expert who is named in this joint circular or has given an opinion or advice which is contained in this joint circular:

Name	Qualification
Vigers Appraisal and Consulting Limited	Independent Professional Property Valuer

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

- (a) any direct or indirect interest in any assets which have been, since 31 March 2022 (being the date to which the latest published audited consolidated accounts of the Easyknit Group were made up), acquired or disposed of by or leased to any member of the Easyknit Group, or are proposed to be acquired or disposed of by or leased to any member of the Easyknit Group; and
- (b) any shareholding in any member of the Easyknit 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 Easyknit Group.

The above expert has given and has not withdrawn its written consent to the issue of this joint circular with the inclusion of its letter and the references to its name in the form and context in which it appears.

9. GENERAL

- (a) The company secretary of Easyknit is Mr. Lee Po Wing, a practising solicitor since 1994.
- (b) The registered office of Easyknit is at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda and the principal place of business of Easyknit 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 Easyknit is Tricor Secretaries Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.
- (d) The English texts of this joint circular shall prevail over the Chinese texts.

10. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the website of the Stock Exchange (www.hkexnews.hk) and the website of Easyknit (www.easyknit.com) for a period of 14 days from the date of this joint circular (inclusive):

- (a) the Option to Purchase;
- (b) the written consent referred to in the paragraph headed “Expert and Consent” in this Appendix; and
- (c) the property valuation report issued by the Valuer in respect of the Property as set out in Appendix I to this joint circular.

1. RESPONSIBILITY STATEMENT

This joint circular, for which the Eminence 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 Eminence. The Eminence Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this joint circular 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 this joint circular misleading.

2. DISCLOSURE OF INTERESTS**(a) Interests of the Eminence Directors and chief executive of Eminence**

As at the Latest Practicable Date, none of the Eminence Directors or chief executive of Eminence (the “**Chief Executive**”) had any interests or short positions in the Eminence Shares, underlying Eminence Shares and debentures of Eminence or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the “**SFO**”), which were required (i) to be notified to Eminence and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests which the Eminence Directors or the Chief Executive were taken or deemed to have taken or deemed to have taken under such provisions of the SFO), or (ii) to be entered in the register kept by Eminence under Section 352 of the SFO, or (iii) to be notified to Eminence and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules.

(b) Interests of substantial Eminence Shareholders

As at the Latest Practicable Date, the persons (other than the Eminence Directors or the Chief Executive) who had an interest in the Eminence Shares and underlying Eminence Shares which would fall to be disclosed to Eminence under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by Eminence under Section 336 of the SFO were as follows:

Name of substantial Eminence Shareholder	Notes	Capacity	Number of Eminence Shares	Number of underlying Eminence Shares	Total	Approximate percentage of the total issued Eminence Shares
Ace Winner Investment Limited	(i) and (iii)	Beneficial owner	484,538,175*	–	484,538,175*	22.79%
Goodco Development Limited	(i), (iii) and (iv)	Beneficial owner	562,231,961	1,971,698,113	2,533,930,074	119.19%
Easyknit Properties Holdings Limited	(i), (iii) and (iv)	Interest of controlled corporation	562,231,961	1,971,698,113	2,533,930,074	119.19%
Easyknit	(i), (iii) and (iv)	Beneficial owner	27,000,000	–	27,000,000	1.27%
		Interest of controlled corporation	1,070,157,506	1,971,698,113	3,041,855,619	143.08%
			1,097,157,506	1,971,698,113	3,068,855,619	144.35%
Magical Profits Limited	(ii), (iii) and (iv)	Interest of controlled corporation	1,097,157,506	1,971,698,113	3,068,855,619	144.35%
Accumulate More Profits Limited	(ii) and (iv)	Interest of controlled corporation	1,097,157,506	1,971,698,113	3,068,855,619	144.35%
The Winterbotham Trust Company Limited	(ii) and (iv)	Interest of controlled corporation	1,097,157,506	1,971,698,113	3,068,855,619	144.35%
Winterbotham Holdings Limited	(ii) and (iv)	Interest of controlled corporation	1,097,157,506	1,971,698,113	3,068,855,619	144.35%
Christopher Geoffrey Douglas Hooper	(ii) and (iv)	Interest of controlled corporation	1,097,157,506	1,971,698,113	3,068,855,619	144.35%
Hu Rong		Beneficial owner	47,030,000	–	47,030,000	2.21%

Notes:

- (i) In the 1,070,157,506 Eminence Shares, 484,538,175* Eminence Shares, 23,387,370 Eminence Shares and 562,231,961 Eminence Shares were registered in the name of and beneficially owned by Ace Winner Investment Limited, Landmark Profits Limited and Goodco Development Limited (which was wholly-owned by Easyknit Properties Holdings Limited) respectively, all of which were wholly-owned subsidiaries of Easyknit. 27,000,000 Eminence Shares were also beneficially owned by Easyknit.
 - (ii) Magical Profits Limited, which was interested in approximately 41.25% of the issued share capital of Easyknit (including approximately 1.82% held by the Eminence Group), was wholly-owned by Accumulate More Profits Limited which in turn was wholly-owned by The Winterbotham Trust Company Limited as trustee of The Magical 2000 Trust. The Winterbotham Trust Company Limited was owned as to 75% by Winterbotham Holdings Limited, which in turn was owned as to approximately 99.99% by Mr. Christopher Geoffrey Douglas Hooper.
 - (iii) Ms. Lui Yuk Chu, an Eminence Director, was also a director of Ace Winner Investment Limited, Goodco Development Limited, Easyknit Properties Holdings Limited, Easyknit and Magical Profits Limited and a substantial Easyknit Shareholder.
 - (iv) On 20 February 2023, upon completion of the sale and purchase agreements, the 5% per annum coupon rate 5-year convertible note (the “2023 CN”) in a principal amount of HK\$209,000,000 at an initial conversion price of HK\$0.106 per conversion share was issued by Eminence (as issuer) to Goodco Development Limited (as noteholder). A total of 1,971,698,113 conversion shares will be allotted and issued upon full conversion of the 2023 CN.
- * According to Form 2 filed on 2 July 2021 by Ace Winner Investment Limited, on 25 June 2021, 300,000,000 Eminence Shares, representing approximately 14.11% equity interest of total issued Eminence Shares, were pledged to Hang Seng Bank Limited.

Apart from Ms. Lui Yuk Chu, no Eminence Director was also a director or an employee of any substantial Eminence Shareholders.

Save as disclosed above, as at the Latest Practicable Date, Eminence had not been notified by any persons (other than the Eminence Directors or the Chief Executive) who had interests in the Eminence Shares and underlying Eminence Shares which would fall to be disclosed to Eminence 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 Eminence under Section 336 of the SFO.

3. LITIGATION

As at the Latest Practicable Date, neither Eminence nor any of its subsidiaries was engaged in any litigation or claims of material importance and, so far as the Eminence Directors are aware, there was no litigation or claim of material importance pending or threatened by or against Eminence or any of its subsidiaries.

4. EMINENCE DIRECTORS’ SERVICE CONTRACTS

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

5. EMINENCE DIRECTORS' INTERESTS IN COMPETING BUSINESS

Name of Eminence Director	Name of company	Nature of competing business	Nature of interest
Lui Yuk Chu	Easyknit	Property development, property investment, investment in securities and others and loan financing	Easyknit Director and substantial Easyknit Shareholder

Save as disclosed in this joint circular, at the Latest Practicable Date, none of the Eminence 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 Eminence Group as required to be disclosed pursuant to the Listing Rules.

6. EMINENCE DIRECTORS' INTERESTS IN CONTRACTS AND ASSETS

As at the Latest Practicable Date, save as disclosed in this joint circular, none of the Eminence Directors was interested in any contract of arrangement entered into by Eminence or any of its subsidiaries which contract or arrangement was subsisting at the Latest Practicable Date and which is significant in relation to the business of the Eminence Group.

As at the Latest Practicable Date, none of the Eminence 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 Eminence Group since 31 March 2022, being the date to which the latest published audited consolidated financial statements of the Eminence Group were made up.

7. MATERIAL CONTRACTS

The following material contracts (not being contracts entered into in the ordinary course of business carried on or intended to be carried on by the Eminence Group) had been entered into by the Eminence Group within two (2) years immediately preceding and including the Latest Practicable Date:

- (a) the deed of settlement dated 4 March 2022 entered into between Shui Kam Enterprises Limited and City China International Limited (an indirect wholly-owned subsidiary of Eminence) in relation to the settlement of the outstanding loans of HK\$39,834,292.14 under the loan agreements in return for a property situated at Lots Nos. 1278, 1279 and 1280 all in D.D. No. 124 Yuen Long, New Territories, Hong Kong with a valuation of HK\$40,000,000;
- (b) the conditional placing agreement dated 30 March 2022 entered into between Kingston Securities Limited (“**Kingston**”) (as placing agent) and Eminence (as issuer) in relation to the placing, on a best effort basis, of up to 186,280,000 new Eminence Shares at the placing price of HK\$0.10 per placing Eminence Share under general mandate for net proceeds of approximately HK\$18,380,000;

- (c) the conditional placing agreement dated 27 July 2022 entered into between Kingston (as placing agent) and Eminence (as issuer) in relation to the placing, on a best effort basis, of up to 607,400,000 new Eminence Shares at the placing price of HK\$0.068 per placing Eminence Share under specific mandate for net proceeds of approximately HK\$40,800,000;
- (d) the land resumption agreement dated 5 October 2022 entered into between the People’s Government of Zhili Town, Wuxing District, Huzhou City, Zhejiang Province, the PRC (the “**Huzhou Government**”) and Easyknit Enterprises (Huzhou) Co., Ltd. (“**Enterprises Huzhou**”, an indirect wholly-owned subsidiary of Eminence) in relation to the resumption of properties situated at Huzhou City, Zhejiang Province of the PRC which are owned by Enterprises Huzhou at a compensation amount of RMB386,982,000 (equivalent to approximately HK\$441,159,000) payable by the Huzhou Government to Enterprises Huzhou;
- (e) the agreement dated 4 November 2022 entered into between the Vendor and Claire Huang and Eva Huang (as purchasers) in relation to the grant and exercise of the option to purchase the property at 15 Ardmore Park #06-04, Ardmore Park, Singapore 259959 at the sale price of S\$12,500,000 (equivalent to approximately HK\$68,750,000);
- (f) the conditional sale and purchase agreement dated 30 November 2022 between Easyknit Properties Holdings Limited (“**Easyknit Properties**”) (as seller), a wholly-owned subsidiary of Easyknit, and Eminence (as purchaser) for the sale and purchase of the entire issued share capital and the assignment of loan of On Channel International Limited at the aggregate purchase price of HK\$44,000,000;
- (g) the conditional sale and purchase agreement dated 30 November 2022 between Easyknit Properties (as seller), a wholly-owned subsidiary of Easyknit, and Eminence (as purchaser) for the sale and purchase of the entire issued share capital and the assignment of loan of Day Glory Investment Limited at the aggregate purchase price of HK\$24,800,000;
- (h) the conditional sale and purchase agreement dated 30 November 2022 between Easyknit Properties (as seller), a wholly-owned subsidiary of Easyknit, and Eminence (as purchaser) for the sale and purchase of the entire issued share capital and the assignment of loan of Well Honest Investment Limited at the aggregate purchase price of HK\$24,200,000;
- (i) the conditional sale and purchase agreement dated 30 November 2022 between Easyknit Properties (as seller), a wholly-owned subsidiary of Easyknit, and Eminence (as purchaser) for the sale and purchase of the entire issued share capital and the assignment of loan of Asia Million Investment Limited at the aggregate purchase price of HK\$247,000,000; and
- (j) the Option to Purchase.

8. EXPERTS AND CONSENTS

The following are the qualifications of the experts who have been named in this joint circular or have given their opinions or advice which are contained in this joint circular:

Name	Qualification
Vigers Appraisal and Consulting Limited	Independent Professional Valuer
ZHONGHUI ANDA CPA Limited	Certified Public Accountants

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

- (a) any direct or indirect interest in any assets which have been, since 31 March 2022 (being the date to which the latest published audited consolidated accounts of the Eminence Group were made up), acquired or disposed of by or leased to any member of the Eminence Group, or are proposed to be acquired or disposed of by or leased to any member of the Eminence Group; and
- (b) any shareholding in any member of the Eminence 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 Eminence Group.

The above experts have given and have not withdrawn their respective written consents to the issue of this joint circular with the inclusion of their letters, reports and references to their names in the form and context in which they appear.

9. GENERAL

- (a) The company secretary of Eminence is Mr. Lee Po Wing, a practising solicitor since 1994.
- (b) The registered office of Eminence is at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda and the principal place of business of Eminence 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 Eminence is Tricor Secretaries Limited at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong.
- (d) The English text of this joint circular and the enclosed form of proxy shall prevail over the Chinese text where there is any inconsistency.

10. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the respective websites of Eminence (<http://www.eminence-enterprise.com>) and the Stock Exchange (www.hkexnews.hk) for a period of fourteen (14) days from the date of this joint circular:

- (a) the valuation report on the Property prepared by the Valuer as set out in appendix I to this joint circular;
- (b) the financial information of the Property prepared by ZHONGHUI ANDA CPA Limited as set out in appendix IV to this joint circular;
- (c) the accountants' report on unaudited proforma financial information of the remaining Eminence Group as set out in appendix V to this joint circular;
- (d) the material contracts referred to in the paragraph headed "Material Contracts" in this appendix; and
- (e) the written consents referred to in the paragraph headed "Experts and Consents" in this appendix.

NOTICE OF THE EMINENCE SGM



EMINENCE ENTERPRISE LIMITED

高山企業有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 616)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a special general meeting (the “**Eminence SGM**”) of Eminence Enterprise Limited (“**Eminence**”) will be held at Block A, 7th Floor, Hong Kong Spinners Building, Phase 6, 481–483 Castle Peak Road, Cheung Sha Wan, Kowloon, Hong Kong on Wednesday, 31 May 2023 at 9:00 a.m. (or at any adjournment thereof) for the purpose of considering and, if thought fit, passing the following resolution which will be proposed with or without amendments, as an ordinary resolution of Eminence:

ORDINARY RESOLUTION

“**THAT:**

- (a) the Disposal of the Property pursuant to the terms and conditions of the Option to Purchase (a copy of which has been produced to the Eminence SGM and initialled by the chairman of the Eminence SGM for the purpose of identification) and transactions contemplated thereunder and are hereby approved, confirmed and ratified; and
- (b) any one or two of the Eminence Directors be and is or are hereby authorised for and on behalf of Eminence and in its name to sign and execute or procure the signature(s) and execution of all such documents, instruments and agreements, and do all such acts, matters and things as he or she or they may in his or her or their absolute discretion consider(s) necessary, desirable or expedient for the purposes of or in connection with executing, implementing, completing and giving effect to the Option to Purchase and transactions contemplated thereunder.”

Terms defined in this joint circular of Eminence and Easyknit International Holdings Limited dated 8 May 2023 to the Eminence Shareholders are used in this resolution with those defined meanings.

By order of the Eminence Board
EMINENCE ENTERPRISE LIMITED
Lai Law Kau
Chairman and Chief Executive Officer

Hong Kong, 8 May 2023

NOTICE OF THE EMINENCE SGM

Registered office:
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

*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

Notes:

1. A form of proxy for use at the Eminence SGM is enclosed herewith.
2. Any shareholder of Eminence (“**Eminence Shareholder**”) entitled to attend and vote at the Eminence SGM convened by the above notice is entitled to appoint another person as his or her proxy to attend and vote instead of him or her. An Eminence Shareholder who is the holder of two or more shares of Eminence (“**Eminence Share(s)**”) may appoint more than one proxy to represent him or her and on his or her behalf at the Eminence SGM. A proxy need not be an Eminence Shareholder. In addition, a proxy or proxies representing either an Eminence Shareholder who is an individual or an Eminence Shareholder which is a corporation shall be entitled to exercise the same power on behalf of the Eminence Shareholder which he or she or they represent(s) as such Eminence Shareholder could exercise.
3. Where there are joint registered holders of any Eminence Share, any one of such persons may vote at the Eminence SGM, either personally or by proxy, in respect of such Eminence Share as if he or she was solely entitled thereto; but if more than one of such joint holders be present at the Eminence SGM personally or by proxy, that one of the said persons so present whose name stands first on the register of members of Eminence (the “**Register of Members**”) in respect of such Eminence Share shall alone be entitled to vote in respect thereof.
4. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his or her attorney duly authorised in writing, or if the appointor is a corporation, either under seal or under the hand of an officer, attorney or other person duly authorised to sign the same. In the case of an instrument of proxy purporting to be signed on behalf of a corporation by an officer thereof, it shall be assumed, unless the contrary appears, that such officer was duly authorized to sign such instrument of proxy on behalf of the corporation without further evidence of the fact.
5. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at Eminence’s branch share registrar and transfer office in Hong Kong, Tricor Secretaries Limited, at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong not less than forty-eight (48) hours before the time for holding the Eminence SGM or any adjourned meeting thereof (as the case may be) at which the person named in the instrument proposes to vote and, in default, the instrument of proxy shall not be treated as valid.
6. For determining the entitlement to attend and vote at the Eminence SGM, the Register of Members will be closed from Thursday, 25 May 2023 to Wednesday, 31 May 2023 (both dates inclusive), during which period no transfer of the Eminence Shares will be effected. In order to qualify to attend and vote at the Eminence SGM, all transfers forms of the Eminence Shares accompanied by the relevant share certificates must be lodged with Eminence’s branch share registrar and transfer office in Hong Kong, Tricor Secretaries Limited, at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong no later than 4:30 p.m. on Wednesday, 24 May 2023, for registration.
7. Delivery of an instrument appointing a proxy shall not preclude an Eminence Shareholder from attending and voting in person at the Eminence SGM or any adjournment thereof (as the case may be) or on the poll concerned and, in such event, the instrument appointing a proxy shall be deemed to have been revoked.
8. All resolution(s) set out in this notice will be taken by poll at the Eminence SGM.

As at the date of this notice, 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 notice shall prevail over the Chinese version.