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## JOINT ANNOUNCEMENT



**EASYKNIT INTERNATIONAL  
HOLDINGS LIMITED**

**永義國際集團有限公司**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 1218)**



**EMINENCE ENTERPRISE LIMITED**

**高山企業有限公司**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 616)**

**MAJOR TRANSACTION**

**VERY SUBSTANTIAL DISPOSAL**

### **DISPOSAL OF PROPERTY IN SINGAPORE**

#### **THE DISPOSAL**

The Easyknit Board and the Eminence Board jointly announce that 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.

## **LISTING RULES IMPLICATIONS**

Eminence is a non-wholly owned subsidiary of Easyknit. As the Vendor is an indirect wholly-owned subsidiary of Eminence, the Vendor is in turn also an indirect non-wholly owned subsidiary of Easyknit.

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 for Easyknit under Rule 14.06(3) of the Listing Rules and is or are therefore subject to the reporting, announcement and the Easyknit Shareholders' approval requirements under Chapter 14 of the Listing Rules.

As at the date of this joint announcement, Magical Profits Limited is holding 29,179,480 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. Sea Rejoice Limited is holding 13,899,664 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 daughter of Ms. Lui Yuk Chu and are concert parties. Pursuant to Rule 14.44 of the Listing Rules, in lieu of a resolution to be passed at a general meeting of Easyknit, written approvals of the Disposal have been obtained from Sea Rejoice Limited and Magical Profits Limited, a closely allied group of the Easyknit Shareholders, together holding a total of 43,079,144 Easyknit Shares, representing approximately 58.22% of the total issued Easyknit Shares as at the date of this joint announcement.

To the best knowledge, information and belief of the Easyknit Directors having made all reasonable enquiries, as no Easyknit Shareholder has a material interest in the Disposal, no Easyknit Shareholder will be required to abstain from voting on the relevant resolution(s) to approve the Disposal and transactions contemplated thereunder if Easyknit were to convene a general meeting for approving the Disposal and transactions contemplated thereunder.

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.

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(s) to approve the Disposal and transactions contemplated thereunder at the Eminence SGM.

## **GENERAL**

Easyknit and Eminence will seek the requisite approvals of the Easyknit Shareholders and the Eminence Shareholders at the Eminence SGM respectively for the Disposal.

A joint circular of Easyknit and Eminence containing, among other things, (i) further details of the Disposal; (ii) the financial information of the Group; (iii) the pro forma financial information of the remaining Eminence Group; (iv) an independent property 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, is expected to be despatched to the Easyknit Shareholders and the Eminence Shareholders respectively on or before 8 May 2023.

**The Easyknit Shareholders and the Eminence Shareholders and respective potential investors of Easyknit and Eminence shall note that the Completion of the Disposal is subject to the conditions precedent in the Option to Purchase, and may or may not materialise. The Easyknit Shareholders and the Eminence Shareholders and respective potential investors of Easyknit and Eminence are therefore advised to exercise caution when dealing in the securities of Easyknit and Eminence.**

## 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 Easyknit Directors and 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 date of this joint announcement, the Vendor owns the Property which is over twenty (20) years, is a four (4)-bedroom residential apartment unit with a total strata 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 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 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 preliminary valuation of the Property prepared by a property valuer (an Independent Third Party) 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.

## **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).

## **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.

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

<u>Transaction Date</u>	<u>Description of the Property</u>	<u>Age of the Building</u> (years)	<u>Saleable Area</u> (sq. ft.)	<u>Consideration</u> (S\$)	<u>Price per sq. ft.</u> (S\$)
<i><u>Ardmore Park</u></i>					
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
<i><u>Four Seasons Park</u></i>					
20 May 2022	8 Cuscaden Walk #11-02	29	2,873.99	9,500,000	3,306
<i><u>Nassim Park Residences</u></i>					
9 June 2022	15 Nassim Road #02-02	12	3,175.38	12,888,000	4,059
<i><u>The Claymore</u></i>					
31 March 2022	27 Claymore Road #26-02	38	3,347.60	11,188,888	3,342
<i><u>Tomlinson Heights</u></i>					
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

## **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.

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 date of this joint announcement, 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.

## **INFORMATION ON THE PURCHASER**

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

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

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

  

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

## **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 and the Eminence 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 Disposal 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.

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

## **FINANCIAL IMPACT OF THE DISPOSAL AND USE OF PROCEEDS**

Based on the preliminary valuation of the Property prepared by a property valuer (an Independent Third Party) 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). The Group intends to use the net proceeds from the Disposal for the general working capital of the Group.

## LISTING RULES IMPLICATIONS

Eminence is a non-wholly owned subsidiary of Easyknit. As the Vendor is an indirect wholly-owned subsidiary of Eminence, the Vendor is in turn also an indirect non-wholly owned subsidiary of Easyknit.

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 for Easyknit under Rule 14.06(3) of the Listing Rules and is or are therefore subject to the reporting, announcement and the Easyknit Shareholders' approval requirements under Chapter 14 of the Listing Rules.

As at the date of this joint announcement, Magical Profits Limited is holding 29,179,480 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. Sea Rejoice Limited is holding 13,899,664 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 daughter of Ms. Lui Yuk Chu and are concert parties. Pursuant to Rule 14.44 of the Listing Rules, in lieu of a resolution to be passed at a general meeting of Easyknit, written approvals of the Disposal have been obtained from Sea Rejoice Limited and Magical Profits Limited, a closely allied group of the Easyknit Shareholders, together holding a total of 43,079,144 Easyknit Shares, representing approximately 58.22% of the total issued Easyknit Shares as at the date of this joint announcement.

To the best knowledge, information and belief of the Easyknit Directors having made all reasonable enquiries, as no Easyknit Shareholder has a material interest in the Disposal, no Easyknit Shareholder will be required to abstain from voting on the relevant resolution(s) to approve the Disposal and transactions contemplated thereunder if Easyknit were to convene a general meeting for approving the Disposal and transactions contemplated thereunder.

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.

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(s) to approve the Disposal and transactions contemplated thereunder at the Eminence SGM.

## **GENERAL**

Easyknit and Eminence will seek the requisite approvals of the Easyknit Shareholders and the Eminence Shareholders at the Eminence SGM for the Disposal.

A joint circular of Easyknit and Eminence containing, among other things, (i) further details of the Disposal; (ii) the financial information of the Group; (iii) the pro forma financial information of the remaining Eminence Group; (iv) an independent property 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, is expected to be despatched to the Easyknit Shareholders and the Eminence Shareholders respectively on or before 8 May 2023.

**The Easyknit Shareholders and the Eminence Shareholders and respective potential investors of Easyknit and Eminence shall note that the Completion of the Disposal is subject to the conditions precedent in the Option to Purchase, and may or may not materialise. The Easyknit Shareholders and the Eminence Shareholders and respective potential investors of Easyknit and Eminence are therefore advised to exercise caution when dealing in the securities of Easyknit and Eminence.**

## DEFINITIONS

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

“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 Director(s)”	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
“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)
“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”	four (4)-bedroom residential apartment units 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 (equivalent 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
“subsidiary”	the meaning defined in the Listing Rules

“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 announcement, 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.*

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

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

Hong Kong, 14 April 2023

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

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

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