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## JOINT ANNOUNCEMENT



**EMINENCE ENTERPRISE LIMITED**

**高山企業有限公司**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 616)**



**EASYKNIT INTERNATIONAL  
HOLDINGS LIMITED**

**永義國際集團有限公司\***

*(incorporated in Bermuda with limited liability)*

**(Stock Code: 1218)**

**PROPOSED RIGHTS ISSUE  
ON THE BASIS OF  
THREE RIGHTS SHARES  
FOR EVERY ONE SHARE HELD ON  
RECORD DATE**

**MAJOR TRANSACTION**

**FULL ACCEPTANCE OF  
PROVISIONAL ALLOTMENT  
UNDER THE RIGHTS ISSUE  
OF EMINENCE ENTERPRISE  
LIMITED**

**Underwriters of the Rights Issue**



**華晉證券資產管理有限公司**  
China Rise Securities Asset Management Co. Limited



**結好證券有限公司**  
GET NICE SECURITIES LIMITED

### PROPOSED RIGHTS ISSUE

Eminence proposes to raise not less than approximately HK\$435.6 million and not more than approximately HK\$598.5 million, before expenses, by issuing not less than 4,228,829,511 Rights Shares (assuming no Shares being issued and repurchased by the Company on or before the Record Date) and not more than 5,810,938,149 Rights Shares (assuming full exercise of the Convertible Notes and the Scheme Mandate Limit being fully utilised, and no Shares being repurchased by the Company on or before the Record Date) at the Subscription Price of HK\$0.103 per Rights Share on the basis of three (3) Rights Share for every one (1) Shares held on the Record Date and payable in full on acceptance.

*\* for identification purposes only*

The estimated net proceeds from the Rights Issue will be approximately HK\$432.1 million to approximately HK\$593.7 million. Eminence plans to use the net proceeds of approximately 40% and 42% from the Rights Issue for the acquisition of the Matheson Remaining Unit and FW Remaining Units respectively or should any of the acquisitions fail to materialize, for acquisition of other properties at the time when Eminence has insufficient financial resources to fund such activities in a timely manner. The remaining balance approximately 18% shall be utilized for investing in the overseas investment properties.

The Rights Issue is fully underwritten by the Underwriters. The Rights Issue is conditional upon, inter alia, the passing of resolution at the SGM to approve the Rights Issue. Further details of the underwriting arrangements are set out in the paragraph headed "Underwriting Arrangement for the Rights Issue". If the conditions are not fulfilled (or waived, where applicable) or the Underwriting Agreement is terminated, the Rights Issue will not proceed.

The number of Rights Shares to be issued pursuant to the Rights Issue represents 3 times of the present issued share capital and 75% of the enlarged issued share capital immediately following the completion of the Rights Issue. Pursuant to the Rule 7.19(6)(a) of the Listing Rules, the Rights Issue will increase the issued share capital of Eminence by more than 50%, therefore the Rights Issue is subject to approval from Independent Shareholders at the SGM.

Application will be made to the Stock Exchange for the listing of, and permission to deal in, the Rights Shares in both nil-paid and fully-paid forms.

To qualify for the Rights Issue, a Qualifying Shareholder's name must appear on the register of members of Eminence on the Record Date. In order for their owners to be registered as members on the Record Date, any transfers of the Eminence Shares (with the relevant share certificates) must be lodged for registration by 4:30 p.m. on 24 November 2016.

#### **MAJOR TRANSACTION FOR EASYKNIT INTERNATIONAL – UNDERTAKINGS OF AND FULL ACCEPTANCE OF PROVISIONAL ENTITLEMENT UNDER THE RIGHTS ISSUE**

As at the date of this joint announcement, Easyknit International, through Landmark Profits and Goodco, is interested in 364,661,475 Shares representing approximately 32.44% of the issued share capital of Eminence. Landmark Profits and Goodco have given the Undertaking in favour of Eminence and the Underwriter, among other things, (1) Landmark Profits and Goodco will subscribe for the 280,648,494 Rights Shares and 1,091,343,582 Rights Shares respectively to which they will be entitled pursuant to the terms of the Rights Issue; (2) the Shares comprising its current shareholding in Eminence will remain registered in their respective names at the Record Date as they are on the date of the Undertakings; and (3) they will procure that their applications in respect of their 280,648,494 Rights Shares and 1,091,343,582 Rights Shares comprising their respective entitlement under the Rights Issue will be lodged with the Registrar, with payment in full therefor, by no later than the Acceptance Time and otherwise in accordance with the instructions printed on the PAL(s).

The aggregate consideration for the subscription in full for the entitlement under the Rights Shares by Easyknit International exceeds 25% but less than 100% of certain applicable percentage ratios (as defined under the Listing Rules) and therefore constitutes a major transaction for Easyknit International under Chapter 14 of the Listing Rules.

## **LISTING RULES IMPLICATIONS TO EMINENCE**

The Rights Issue is subject to, among other things, the approval of the Independent Shareholders at the SGM. In accordance with the Listing Rules, Landmark Profits, Goodco and their respective associates will abstain from voting on the resolution(s) to approve the Rights Issue at the SGM.

An independent board committee of Eminence comprising the independent non-executive Directors will be established to make recommendations to the Independent Shareholders in respect of the Rights Issue. The members of the Independent Board Committee have no material interest in the Rights Issue. An independent financial adviser will be appointed to advise the Independent Board Committee and Independent Shareholders as to whether the terms and conditions of the Rights Issue are fair and reasonable and in the interest of Eminence and the Shareholders as a whole.

The SGM will be convened and held for Independent Shareholders to consider and, if thought fit, to approve, among other things, the Rights Issue. A circular containing, among other things, (i) further information on the Rights Issue; (ii) a letter of recommendation from the Independent Board Committee in respect of the Rights Issue; (iii) a letter of advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders on the Rights Issue; and (iv) a notice of the SGM, will be despatched to the Shareholders on or before Wednesday, 2 November 2016.

## **LISTING RULES IMPLICATIONS TO EASYKNIT INTERNATIONAL**

As the applicable percentage ratios (as defined under Listing Rules) in respect of the consideration for the subscription in full for the entitlement under the Rights Shares by Easyknit International exceeds 25% but less than 100%, the Undertakings and the transactions contemplated thereunder constitute a major transaction for Easyknit International under the Listing Rules and are therefore subject to the reporting, announcement, circular and shareholders' approval requirement under the Listing Rules.

Pursuant to Rule 14.44 of the Listing Rules, in lieu of a resolution to be passed at a general meeting of Easyknit International, written approvals of the Acquisitions have been obtained from Sea Rejoice Limited and Magical Profits Limited, the substantial shareholders of Easyknit International with an aggregate interest in 46,609,144 EI Shares, representing approximately 58.69% of the issued share capital of Easyknit International as at the date of this announcement.

A circular containing, among other things, further details of the Undertakings and the transaction contemplated thereunder will be despatched to the EI Shareholders on or before Wednesday, 2 November 2016.

## **1. PROPOSED RIGHTS ISSUE**

### **Issue statistics**

Basis of the Rights Issue	:	Three (3) Rights Shares for every one (1) Share held on the Record Date
Subscription Price	:	HK\$0.103 per Rights Share
Number of Shares in issue at the date of this announcement	:	1,409,609,837 Shares

Number of Rights Shares : Not less than 4,228,829,511 Rights Shares (assuming no shares being issued and repurchased by the Company on or before the Record Date) and not more than 5,810,938,149 Rights Shares (assuming full exercise of the CBs and the Scheme Mandate Limit being fully utilised, and no Shares being repurchased by the Company on or before the Record Date) (*Notes 1 and 2*) which represents 37.41% of the issued share capital of the Company immediately before the Rights Issue and approximately 27.24% of the Company's issued share capital as enlarged by the issue of the Rights Shares

Notes:

- (1) As at the date of this announcement, the total outstanding of the conversion shares to be issued to the CB Holders is 527,369,546 shares.
- (2) As at the date of this announcement, pursuant to the Scheme Mandate Limit, the Company is entitled to grant up to 113,660,983 Share Options under the Share Option Scheme which are exercisable on or before the Record Date enabling the holders thereof to convert to an aggregate of 113,660,983 Shares.

The number of Rights Shares to be issued pursuant to the Rights Issue represents 3 times the issued share capital of Eminence and 75% of enlarged issued share capital of Eminence immediately following the completion of the Rights Issue.

As at the date of this announcement, save for the 2014CB, 2015CB and 2016CB, Eminence does not have any options outstanding under any share option scheme or any other derivatives, options, warrants and conversion rights or other similar rights which are convertible or exchangeable into Shares.

### **Subscription Price**

The Subscription Price is HK\$0.103 per Rights Share, payable in full upon acceptance under the PAL(s) and on application under the EAF(s).

The Subscription Price represents:

- (i) a discount of approximately 33.12% to the closing price of HK\$0.154 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 40.12% to the average closing price of approximately HK\$0.172 per Share as quoted on the Stock Exchange for the 5 consecutive trading days up to and including the Last Trading Day;
- (iii) a discount of approximately 6% to the theoretical ex-rights price of approximately HK\$0.11 per Share after the Rights Issue, based on the closing price of HK\$0.154 per Share as quoted on the Stock Exchange on the Last Trading Day and adjusted for the effect of the Rights Issue; and
- (iv) a discount of approximately of 93.75% to net asset value of approximately HK\$1.649 per Share based on the audited consolidated net asset value of the Group of HK\$2,324,444,000 as at 31 March 2016 and 1,409,609,837 Shares in issue on the Last Trading Day.

The Subscription Price was arrived at after arm's length negotiation between Eminence and the Underwriters with reference to the scale of the Rights Issue, the market price of the Shares and the prevailing market conditions. The Directors (excluding the independent non-executive Directors whose opinion will be set forth in the circular, after having been advised by an independent financial adviser) consider that the discount would encourage Shareholders to participate in the Rights Issue and accordingly maintain their shareholdings in Eminence and participate in the future growth of the Group. In view of the prevailing market conditions of the capital market in Hong Kong and the benefits of the Rights Issue, the Directors (excluding the independent non-executive Directors whose opinion will be set forth in the circular, after having been advised by an independent financial adviser) consider that the terms of the Rights Issue are fair and reasonable and in the best interests of the Group and the Shareholders as a whole.

### **Basis of provisional allotment**

The Rights Shares will be allotted on the basis of three (3) Rights Shares for every one (1) Share held on the Record Date. Acceptances of all or any part of a Qualifying Shareholder's provisional allotment can be made only by completing the PAL and lodging the same with a remittance for the Rights Shares being accepted.

### **Status of the Rights Shares**

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

### **Fractional entitlements to the Rights Shares**

On the basis of provisional allotment of three (3) Rights Shares for every one (1) Share held by the Qualifying Shareholders on the Record Date, no fractional entitlements to the Rights Shares will arise under the Rights Issue.

### **Qualifying Shareholders**

To qualify for the Rights Issue, investors must be registered as members of Eminence and not be a Non-Qualifying Shareholder at the close of business on the Record Date. However, Overseas Shareholders whose names appear on the register of members of Eminence at the close of business on the Record Date whom the Board, based on legal opinions to be provided by legal advisers, considers necessary or expedient not to offer the Rights Shares on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place will not be regarded as Qualifying Shareholders.

Eminence is in the process of considering the rights of the Overseas Shareholders and the arrangements in respect of the Rights Issue for them, including whether it is feasible to extend the Rights Issue to such Shareholders.

Further information in this connection will be set out in the Prospectus to be despatched to the Shareholders.

Eminence retains the right, in its discretion, to make any arrangement to avoid any offer of Rights Shares to Shareholders (without compliance with registration or other legal requirements) outside Hong Kong.

In order to be registered as members of Eminence at the close of business on the Record Date, beneficial owners must lodge any transfers of Shares (together with the relevant share certificates) with branch share registrar of Eminence in Hong Kong, Tricor Secretaries Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. on Thursday, 24 November 2016.

Eminence will send the Prospectus Documents to the Qualifying Shareholders only.

### **Non-Qualifying Shareholders**

Eminence will send the Prospectus only (without any PAL and EAF) to the Non-Qualifying Shareholders for their information.

Arrangements will be made for Rights Shares which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders to be sold in the market in their nil-paid form as soon as practicable after dealings in the nil-paid Rights Shares commence and before dealings in nil-paid Rights Shares end, if a premium (net of expenses) can be obtained. The proceeds of such sale, less expenses, of more than HK\$100 will be paid pro rata to the Non-Qualifying Shareholders. Eminence will retain individual amounts of HK\$100 or less for its own benefit. Any unsold entitlement of Non-Qualifying Shareholders, together with any Rights Shares provisionally allotted but not accepted, will be made available for excess application on EAFs by Qualifying Shareholders.

### **Closure of register of members**

The register of members of Eminence will be closed on Friday, 25 November 2016. No transfers of Shares will be registered during this period.

### **Application for excess Rights Shares**

Qualifying Shareholders may apply, by way of excess application, for any unsold entitlements of the Non-Qualifying Shareholders and for any Rights Shares provisionally allotted but not accepted.

Applications for excess Rights Shares can be made only by completing an EAF and lodging the same with a separate remittance for the excess Rights Shares being applied for. The Directors will allocate any excess Rights Shares at their discretion on a fair and equitable basis but will give preference to topping-up odd lots to whole board lots. Details of the basis of allocation of excess Rights Shares will be disclosed in the circular and Prospectus in relation to the Rights Issue.

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

Investors with their Shares held by a nominee should consider whether they would like to arrange for the registration of the relevant EE Shares in the name of the beneficial owner(s) prior to the Record Date.

Investors whose Shares are held by nominee(s) and would like to have their names registered on the register of members of Eminence, must lodge all necessary document with the branch share registrar of Eminence in Hong Kong for completion of the relevant registration by 4:30 p.m. on Thursday, 24 November 2016.

The latest time for acceptance of Rights Shares will be 4:00 p.m. on Wednesday, 14 December 2016, or such later date or time as may be agreed between Eminence and the Underwriters.

## **Application for listing**

Eminence will apply to the Listing Committee of the Stock Exchange for the listings of, and permission to deal in the Rights Shares, in both their nil-paid and fully-paid forms.

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement dates of dealings in the Rights Shares in both their nil-paid and fully-paid forms or such other dates as may be determined by HKSCC.

Dealings in the Rights Shares in both their nil-paid and fully-paid forms will be in board lots of 5,000. Dealings in the Rights Shares registered in the branch register of members of Eminence in Hong Kong will be subject to the payment of stamp duty in Hong Kong.

## **Share certificates and refund cheques for Rights Issue**

Subject to the fulfilment of the conditions of the Rights Issue, share certificates for all fully-paid Rights Shares are expected to be posted on or before Friday, 23 December 2016 to those who have accepted, or (where applicable) applied for, and paid for the Rights Shares, by ordinary post at their own risk.

Refund cheques in respect of wholly or partly unsuccessful applications for excess Rights Shares (if any) are expected to be posted on or before Friday, 23 December 2016 by ordinary post to the applicants at their own risk.

## **Conditions of the Rights Issue**

The Rights Issue is conditional upon, among other things, each of the following:

- (i) the passing of resolutions at the SGM to approve the Rights Issue;
- (ii) the registration by and filing with the Registrar of Companies in Hong Kong of the Prospectus Documents;
- (iii) the posting of copies of the Prospectus Documents to the Qualifying Shareholders on the Posting Date;
- (iv) compliance with and performance by Eminence of certain undertakings and obligations under the terms of the Underwriting Agreement;
- (v) the Listing Committee of the Stock Exchange granting listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms and such listings and permission to deal not having been withdrawn or revoked by no later than the first day of their dealings;
- (vi) the Shares remaining listed on the Stock Exchange at all times prior to the Settlement Date and the listing of the Shares not having been withdrawn or the trading of the Shares not having been suspended for a consecutive period of more than 5 trading days;
- (vii) delivery by Eminence to the Underwriters of the Undertakings by Landmark Profits and Goodco to accept their respective entitlement under the Rights Issue and fulfillment of their respective obligations under the undertakings; and

(viii) if required, the Bermuda Monetary Authority granting its consent to the issue of Rights Shares.

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

In the event that the conditions (i), (ii) and (iii) above are not fulfilled and/or waived (other than conditions (i) which cannot be waived in whole or in part by the Underwriter) on or before the despatch of the Prospectus Documents or in the event that the conditions (iv), (v) and (vi) above have not been satisfied/or waived (other than conditions (iv) and (v) above which cannot be waived in whole or part by the Underwriter) on or before 4:00 p.m. on the Settlement Date or such other time as specified therein (whichever is earlier), (or, in each case, such later date as the Underwriter and Eminence may agree) all liabilities of the parties to the Underwriting Agreement shall cease and neither party shall have any claim against the other (except that certain expenses of the Underwriter shall remain payable by Eminence) and the irrevocable undertakings by Landmark Profits and Goodco to accept their entitlements under the Rights Issue will lapse and the Rights Issue will not proceed.

## **2. UNDERWRITING ARRANGEMENTS FOR THE RIGHTS ISSUE**

### **Principal terms of the Underwriting Agreement**

**Date** : 13 October 2016

**Parties** : (i) Eminence;  
(ii) China Rise, being one of the Underwriters; and  
(iii) Get Nice, being one of the Underwriters

China Rise Securities Asset Management Company Limited is a company incorporated in Hong Kong with limited liability and a licensed corporation to carry on business in type 1 regulated activity (dealing in securities), type 4 regulated activity (advising on securities), and type 9 regulated activity (asset management) under the SFO. As at the date of this announcement, China Rise does not have any interests in the Company.

Get Nice Securities Limited is a company incorporated in Hong Kong with limited liability and a licensed corporation to carry on business in type 1 regulated activity (dealing in securities), type 4 regulated activity (advising on securities), type 6 regulated activity (advising on corporate finance) and type 9 regulated activity (asset management) under the SFO. As at the date of this announcement, Get Nice does not have any interest in the Company.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, the Underwriters and their respective ultimate controlling shareholder are third parties independent of Eminence and connected persons of Eminence.

Pursuant to the Underwriting Agreement, the Underwriters has conditionally agreed to fully underwrite, not less than 2,856,837,435 Underwritten Shares and not more than 4,438,946,073 Underwritten Shares not taken up by the Qualifying Shareholders, subject to the terms and conditions of the Underwriting Agreement, being the total number of the Rights Shares less a total of 1,371,992,076 Rights Shares undertaken to be taken up by Landmark Profits and Goodco pursuant to the Undertakings.

Under the Underwriting Agreement, in the event of the Underwriters being called upon to subscribe for or procure subscribers for the Underwritten Shares, the Underwriters shall use its best endeavours to ensure that (1) each of the subscribers of the Underwritten Shares procured by it shall be third party independent of, not acting in concert (within the meaning of the Takeovers Code) with and not connected with Eminence, any of the Directors or chief executive or substantial shareholders of Eminence or their respective associates; and (2) the public float requirements under Rule 8.08 of the Listing Rules be fulfilled by Eminence upon completion of the Rights Issue.



### *Commission*

Eminence will pay the Underwriters an underwriting commission of 1% of the aggregate subscription price of the allotted Rights Shares which are underwritten by them. Directors (excluding the independent non-executive Directors whose opinion will be set forth in the circular, after having been advised by an independent financial adviser) consider that the underwriting commission accords with market rates.

### *Undertakings from Landmark Profits and Goodco*

As at the date of this announcement, Easyknit International, through Landmark Profits and Goodco, are interested in [364,661,475] Shares, representing approximately 32.44% of the total issued share capital of Eminence. Pursuant to the Underwriting Agreement, Landmark Profits and Goodco have signed the Undertakings in favour of Eminence and the Underwriter pursuant to which it has conditionally undertaken, inter alia, that the Shares held by it on the date of the Undertakings will remain registered in its name at the close of business on the Record Date and that the Rights Shares to be provisionally allotted to them representing 1,371,992,076 Rights Shares which will be taken up and paid for in full by it. The obligations of Landmark Profits and Goodco under the Undertakings are conditional upon the Underwriting Agreement becoming unconditional in accordance with its terms. If the conditions are not fulfilled, all liabilities of Landmark Profits and Goodco thereunder shall cease and the undertaking shall lapse, and no party shall have any claims against the other for matters referred to in the Undertakings. Landmark Profits and Goodco will not apply for any excess Rights Shares.

### *Termination of the Underwriting Agreement*

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

- (a) an introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof); or
- (b) any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date of the Underwriting Agreement) of a political, military, financial, economic or currency (including a change in the system under which the value of the Hong Kong currency is linked to the currency of the United States of America) or other nature (whether or not such are of the same nature as any of the foregoing) or of the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities market; or
- (c) any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out;

and in the absolute opinion of the Underwriters, such change would have a material and adverse effect on the business, financial or trading position or prospects of Group as a whole or the success of the Rights Issue or make it inadvisable or inexpedient to proceed with the Rights Issue.

If, at or prior to 4:00 p.m. on the Settlement Date:

- (i) Eminence commits any material breach of or omits to observe any of the obligations or undertakings expressed to be assumed by it under the Underwriting Agreement which breach or omission will have a material and adverse effect on its business, financial or trading position; or

- (ii) the Underwriters receive notification pursuant to the Underwriting Agreement or shall otherwise become aware of, the fact that any of the representations or warranties contained in the Underwriting Agreement was, when given, untrue or inaccurate or would be untrue or inaccurate if repeated as provided in the Underwriting Agreement, and the Underwriter shall, in its absolute opinion, determine that any such untrue representation or warranty represents or is likely to represent a material adverse change in the business, financial or trading position or prospects of the Group taken as a whole or is otherwise likely to have a materially prejudicial effect on the Rights Issue; or
- (iii) Eminence shall, after any matter or event referred to in the relevant clauses of the Underwriting Agreement has occurred or comes to the Underwriters' attention fail promptly to send out any announcements or circulars (after the despatch of the Prospectus Documents), in such manner (and as appropriate with such contents), as the Underwriters may reasonably request for the purpose of preventing the creation of a false market in the securities of Eminence, the Underwriters shall be entitled (but not bound) by notice in writing issued by the Underwriters to Eminence to elect to treat such matter or event as releasing and discharging the Underwriters from its obligations under the Underwriting Agreement.

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

### 3. CHANGES IN THE SHAREHOLDING STRUCTURE OF EMINENCE ARISING FROM THE RIGHTS ISSUE

The changes in the shareholding structure of Eminence arising from the Rights Issue are as follows:

#### Scenario 1: No Exercise of the Outstanding 2014CB, 2015CB and 2016CB

	As at the date of this announcement		Immediately after the Completion (all Rights Shares are subscribed by the Qualifying Shareholders)		Immediately after the Completion of the Rights Issue (only Landmark Profits and Goodco have subscribed the Rights Shares)	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
<b>Substantial Shareholders</b>						
Landmark Profits	93,549,498	6.64 <sup>✓</sup>	374,197,992	6.64 <sup>✓</sup>	374,197,992	6.64
Goodco	363,781,194	25.81 <sup>✓</sup>	1,455,124,776	25.81 <sup>✓</sup>	1,455,124,776	25.81
<b>Sub-total</b>	457,330,692	32.44	1,829,322,768	32.44 <sup>✓</sup>	1,829,322,768	32.44
<b>Public</b>						
- Underwriter	0	0	0	0	2,856,837,435	50.67
- Other public shareholders	952,279,145	67.56 <sup>✓</sup>	3,809,116,580	67.56 <sup>✓</sup>	952,279,145	16.89
<b>Total</b>	<b>1,409,609,837</b>	<b>100.00 <sup>✓</sup></b>	<b>5,638,439,348</b>	<b>100.00</b>	<b>5,638,439,348</b>	<b>100.00</b>

#### *Scenario 2: Assuming full exercise of all outstanding Convertible Notes and the fully utilise the Scheme Mandate Limit but no further issue of new Shares or repurchase of Shares by Eminence from the date of this announcement and the Underwriting Agreement up to and including the Record Date*

	Immediately upon full exercise of all outstanding Convertible Notes and full utilise the Scheme Mandate Limited before Record Date		Immediately after the completion of the Rights Issue (all Rights Shares are subscribed by the Qualifying Shareholders)		Immediately after the completion of the Rights Issue (only Landmark Profits and Goodco have subscribed the Rights Shares)	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
<b>Substantial Shareholders</b>						
Landmark Profits	93,549,498 <sup>✓</sup>	4.83	374,197,992	4.83	374,197,992	4.83
Goodco						
- ordinary Shares	363,781,194 <sup>✓</sup>	18.78	1,455,124,776	18.78	1,455,124,776	18.78
- underlying Shares of the outstanding 2014CB	880,281	0.05	3,521,124	0.05	3,521,124	0.05
<b>Sub-total</b>	458,210,973 <sup>✓</sup>	23.66	1,832,843,892 <sup>✓</sup>	23.66	1,832,843,892	23.66
<b>Holders of Share Options</b>	113,660,983	5.87 <sup>✓</sup>	454,643,932	5.87	113,660,983	1.47
<b>Public</b>						
- holder of 2015CB	260,606,060	13.45 <sup>✓</sup>	1,042,424,240	13.45	260,606,060	3.36
- holder of 2016CB	152,222,222	7.859 <sup>✓</sup>	608,888,888	7.86	152,222,222	1.96
- underwriter	0	0	-	0 <sup>✓</sup>	4,436,305,230	57.26
- other public shareholders	952,279,145	49.16 <sup>✓</sup>	3,809,116,580	49.16	952,279,145	12.29
<b>Total</b>	<b>1,936,979,383</b>	<b>100.00</b>	<b>7,747,917,532</b>	<b>100.00</b>	<b>7,747,917,532</b>	<b>100.00</b>

*Note:*

**This scenario is for illustrative purpose only.**

Under the Underwriting Agreement, in the event of the Underwriters being called upon to subscribe for or procure subscribers for the Underwritten Shares, the Underwriters shall use its best endeavours to ensure that (1) each of the subscribers of the Underwritten Shares procured by it shall be third party independent of, not acting in concert (within the meaning of the Takeovers Code) with and not connected with Eminence, any of the Directors or chief executive or substantial shareholders of Eminence or their respective associates; and (2) the public float requirements under Rule 8.08 of the Listing Rules be fulfilled by Eminence upon completion of the Rights Issue.

#### **4. POSSIBLE ADJUSTMENTS OF THE CONVERTIBLE SHARES**

As a result of the proposed Rights Issue, the exercise price attached to the conversion rights of each of the 2014CB, 2015CB and 2016CB shall be adjusted, if necessary, and Eminence shall make further announcement accordingly.

The Board confirmed that if the general mandate is not sufficient to cover the additional conversion Shares, the Company may obtain a specific mandate from the Shareholders for the issuance of additional conversion Shares.

#### **5. REASONS FOR THE RIGHTS ISSUE AND USE OF PROCEEDS**

The Group is principally engaged in property investment, comprising the rental of investment properties; property development; securities investment and loan financing business.

##### *(1) Subscription Price*

The Subscription Price, the subscription rate of Rights Shares for each Share and other terms were determined after a consideration by the Directors of various matters such as stock market conditions, the dilution impact on Shareholders who choose not to take up the Rights Shares to be provisionally allotted to them, the position of the Underwriters on pricing, and the incentive to attract Shareholders to subscribe. The Company discussed the possibility of underwriting the Rights Issue with 2 potential underwriters before selecting the Underwriter. The terms offered by the Underwriters were more attractive than the terms offered by other potential underwriter

##### *(2) Dilution Impact*

The dilution impact of the Rights Issue to the existing Shareholders if they elect not to participate in the Rights Issue is 26%, that is to say that if they elect not to participate in the rights issue the percentage of the issued Shares represented by their respective holdings will fall by 26%. The cumulative dilution effect of fund raising activities in the past 24 months for Shareholders who did not participate in those activities is 99.90%.

##### *(3) Other alternatives of fund raising activities*

Eminence considered other fund raising activities as alternatives to the Rights Issue, including a sale of assets but there are no assets held by the Group that the Board considers it appropriate to liquidate for the purpose. A placing was also considered, but placings by their nature dilute the interest of Shareholders and the Board does not consider that to be an attractive alternative in present. Debt financing was a third alternative considered by the Directors, but that will incur interest costs for the Eminence and increase its gearing and it is not favourable to Eminence and its shareholders.

No negotiations were held with prospective counterparties to any of these possible fund raising alternatives because they were unattractive, for reasons mentioned above. Specifically, at the date of this announcement, Eminence does not have facilities in place to renew or replace the loan to be repaid and has not negotiated with the lender for renewal of the bank loan or approached other banks for a new

loan because Eminence at present considers equity financing to be preferable to debt financing.

Upon the completion of the placing of 223,000,000 new Shares on 22 September 2016, the Group had unaudited cash and cash equivalent of approximately HK\$401 million, of which, approximately RMB48 million (equivalent to approximately HK\$55 million) is tied up in the PRC as investment capital which is not practical to transfer back to Hong Kong. Of the balance of HK\$346 million; (1) approximately HK\$29 million has been earmarked for the acquisition of the Matheson Remaining Unit; (2) approximately HK\$225 has been earmarked for the redevelopment cost of Inverness Road Project; and (3) approximately HK\$92 million is for appropriate acquisition and investment opportunities of the Group and general working capital of the Group.

The Board assessed the above current cash position, the Company's gearing ratio of 0.12, market borrowing rates and market interest rates and then determined that repayment of bank loan with funds raised by the Rights Issue is in the interest of Eminence.

#### *(4) Financial Position of Eminence*

As at the date of this announcement, Eminence has sufficient funds to attend the daily operations of Eminence for the next 12 months (but this does not include the acquisition of the Matheson Remaining Unit, FW Remaining Units to be financed by Rights Issue; and any new investment opportunities that may be occurred, which may need to be financed by new equity financing and/or bank or other financing if and when they arise).

#### *(5) Proposed use of proceeds of Rights Issue*

The estimated net proceeds of the Rights Issue will be approximately not less than HK\$432.1 million and not more than HK\$593.7 million respectively. A total of approximately 40% and 42% of the net proceeds shall be utilized for the acquisitions of the Matheson Remaining Unit and FW Remaining Units respectively; and the remaining balance of approximately 18% shall be utilized for the acquisition of overseas investment properties.

#### *Matheson Remaining Unit*

Pursuant to section 3(1) of the Land (Compulsory Sale for Redevelopment) Ordinance (Cap. 545), the Company had filed an application to the Lands Tribunal in December 2015 for an order to sell all the undivided shares in a building where the purposes of redevelopment as to acquire the Matheson Remaining Unit. According to the legal advisers of the Company, the grant of sale order and public auction may require about 9 months to 14 months from the date of application. The timing will depend on, amongst other things, the response time by the owner of Matheson Remaining Unit. Pursuant to a court order dated 8 September 2016, the mediation between the Company and the owner of the Matheson Remaining Unit has to be done on or before 26 October 2016.

Based on the valuation report conducted by an independent third party valuer, the existing use value of the Matheson Remaining Unit was approximately HK\$150 million in August 2016.

A total of HK\$29 million raised through previous fund raising activities has thus far been earmarked for the acquisition of the Matheson Remaining Unit. Having considered the facts above, namely (i) the aforesaid sale order and public auction by the Lands Tribunal may be granted on or before early 2017, which is not far from the expected completion time of the Proposed Rights Issue in late December 2016 as scheduled; and (ii) it is possible that an agreement may be reached with the view that it is prudent for the Company to conduct the Rights Issue at the current time in order to obtain the necessary funding to prepare for the potential acquisition of or the possible public auction for the Matheson Remaining Unit, as the case may be.

The Directors however noted that it is possible that an agreement may be reached before the court granted an order for sale (negotiations with the owner of the Matheson Remaining Unit has been conducted simultaneously with the aforesaid application), therefore the funds of the Rights Issue may have to be used at any time before the grant of the order for sale. The sale order may be granted by the court in early 2017.

### FW Remaining Units

As at the date of this announcement, the Group via its subsidiaries is the owner of 21 units of FW Building and the purchase of 5 more units of FW Building shall be completed in October and November 2016. Herebelow is the summary of the acquisition of the units of FW Building:

#### 1st Phase Acquisition

The Group is the owner of Unit B, 1/F of the FW Building (“**GI Property**”) since 11 November 2015. The Group acquired the GI Property from a connected party at an acquisition cost of HK\$6,800,000 and this transaction was approved by the Eminence Independent Shareholders on 7 October 2015 and completed on 11 November 2015. Details of this transaction is disclosed in the Company’s circular dated 14 September 2015.

#### 2nd Phase Acquisition

The Group has completed the acquisition of 20 units of the FW Building (“**TAI Properties**”) from Independent Third Parties for an aggregate acquisition cost of HK\$51,981,000. This transaction was approved by the Eminence Shareholders on 1 August 2016 and completed on 5 August 2016. Details of this transaction is disclosed in the Company’s circular dated 15 July 2016.

To aggregate the GI Property and TAI Properties, the Group totally owns 21 units of the FW Building which represents 66.67% of the undivided shares of the Building (as contemplated by section 3(1) of the Ordinance).

#### 3rd Phase Acquisition

Pursuant to the Company’s announcement dated 9 August 2016, 5 more units of the FW Building (“**DLL Properties**”) is to be purchased from the Independent Third Parties via the acquisition of the sale share and sale loan of DLL. The aggregate purchase cost of DLL and DLL Properties is HK\$64,525,000. This transaction shall be approved by the Eminence Shareholders on 7 October 2016 and shall be completed in mid-October and mid-November 2016 respectively. Details of this transaction is disclosed in the Company’s circular dated 15 September 2016.

To aggregate the GI Property, TAI Properties and DLL Properties, the Group totally owns 26 units of the Building which represents 80% of the undivided shares of the Building (as contemplated by section 3(1) of the Ordinance).

#### 4th Phase Acquisition

As at the date of this announcement, the Company has made known to the property agent and the owners of the FW Remaining Units that the Company has intention to purchase the FW Remaining Units and the negotiations with them are ongoing. The Board estimated that the consideration to acquire the FW Remaining Units is approximately HK\$156,000,000. The Directors however noted that it is possible that an agreement may be reached before the court granted an order for sale (negotiations with the owners of the FW Remaining Units have been conducted simultaneously with the aforesaid application), therefore the funds of the Rights Issue may have to be used at any time.

On the other hand, the Company shall make application to the Lands Tribunal for an order to sell the

undivided shares of the Building site for redevelopment purpose at the time when any of the owners are asking the selling price which is unreasonable and much higher than the comparables and the indication of the valuation. As at the date of this announcement, the Company does not have a concrete timing to submit the application under the Ordinance as it depends on, but without limitation to the success level in the ongoing negotiations with the owners of the FW Remaining Units and the sentiment in the property market for redevelopment.

*Investment in Overseas Investment Properties*

The Company is exploring the opportunity to invest in the commercial properties in the PRC, Taiwan and the United Kingdom. Notwithstanding, the Company currently has not identified any specific acquisition target.

*(6) Directors' Opinion*

The Board balanced various factors when considering the Rights Issue including the Subscription Price and the potential dilution impact of the Rights Issue on those Qualifying Shareholders who choose not to take up the Rights Shares to be provisionally allotted to them. After taking into account the terms of Rights Issue, which will both allow Eminence to raise funds without increasing its gearing and give the Qualifying Shareholders the opportunity to maintain their respective pro-rata shareholding interests in Eminence, the Board considers that fund raising of this scale through the Rights Issue is in the fair and reasonable and in the best interests of Eminence and the Shareholders as a whole.

Save for the funding needs in the potential investment for the acquisition of Matheson Remaining Unit and FW Remaining Units, the Directors are of the opinion that, the Group will have sufficient working capital for daily operation for the period up to 12 months from the date of this announcement in the absence of unforeseen circumstances.

In addition, the Directors are in the opinion that the proceeds from the Rights Issue may satisfy the Company's expected funding needs for the acquisition of Matheson Remaining Unit and FW Remaining Units for the next 12 months but the Company may have to conduct further fund raising activities when good opportunities for other potential investments or property development projects occurs. As at the date of this announcement, Eminence has no other plan to acquire any investment property(ies) nor entering into any binding agreement in respect of any potential investments or property development projects.

## 6. FUND RAISING ACTIVITIES DURING PAST 12 MONTHS OF EMINENCE

Save as disclosed below, Eminence has not conducted any other equity fund raising exercise in the past 12 months immediately prior to the date of this announcement.

<b>Date of announcement</b>	<b>Event</b>	<b>Net proceeds (approximate)</b>	<b>Intended use of net proceeds</b>	<b>Actual use of net proceeds (approximate)</b>
13 July 2016	Issue of convertible note with an aggregate principal amount of HK\$50,000,000 which may be converted into Shares at the conversion price of HK\$0.225 per Share (subject to adjustment)	HK\$50 million	acquisition and investment opportunities; and for general working capital	Fully applied for: (a) HK\$3.4 million for payment of operating expenses (b) HK\$10.0 million for loan financing business (c) HK\$36.6 million for acquisition of properties
9 September 2016	Placing of 223,000,000 new Shares under general mandate	HK\$39.6 million	acquisition and investment opportunities; and for general working capital	Total of HK\$9.5 million was utilized: (a) HK\$1.0 million for loan financing (b) HK\$1.5 million for payment of operating expenses (c) HK\$7.0 million for acquisition of subsidiary  Remaining balance HK\$27.1 million is not yet utilized



## 7. EXPECTED TIMETABLE

<b>Event</b>	<b>2016 (Hong Kong time)</b>
Expected despatch date of circular with notice of SGM	Wednesday, 2 November
Latest time for lodging proxy form	9:10 a.m. on Wednesday, 16 November
Expected date and time of the SGM	9:10 a.m. on Friday, 18 November
Announcement on results of SGM	Friday, 18 November
Last day of dealings in Shares on a cum-rights basis	Tuesday, 22 November
First day of dealings in Shares on an ex-rights basis	Wednesday, 23 November
Latest time for Shareholders to lodge transfer of Shares in order to qualify for the Rights Issue	4:30 p.m. on Thursday, 24 November
Closure of register of members of the Company	Friday, 25 November
Record date and time	4:00 p.m. on Friday, 25 November
Register of members re-opens	Monday, 28 November
Despatch of Prospectus Documents	Wednesday, 30 November
First day of dealings in nil-paid Rights Shares	9:00 a.m. Friday, 2 December
Latest time for splitting nil-paid Rights Shares	4:30 p.m. on Tuesday, 6 December
Last day of dealing in nil-paid Rights Shares	4:00 p.m. on Friday, 9 December
Latest time for acceptance of, and payment for, the Rights Shares and the application for excess Rights Shares	4:00 p.m. on Wednesday, 14 December
Latest time to terminate the Underwriting Agreement and for the Rights Issue to become unconditional	4:00 p.m. on Tuesday, 20 December
Announcement of results of the Rights Issue	Thursday, 22 December

Refund cheques to be despatched in relation to wholly or partially unsuccessful applications for excess Rights Shares on or before

Friday, 23 December

Certificates for fully paid Rights Shares to be despatched on or before

Friday, 23 December

Commencement of dealings in fully-paid Rights Shares

9:00 a.m. on  
Wednesday, 28 December

Dates or deadlines specified in this announcement are indicative only and may be varied by agreement between Eminence and the Underwriter. Any consequential changes to the expected timetable will be published or notified to Shareholders as and when appropriate.

## **8. WARNING OF THE RISKS OF DEALINGS IN THE SHARES AND RIGHTS SHARES**

**The Shares will be dealt in on an ex-rights basis from Wednesday, 23 November 2016. Dealings in the Rights Shares in the nil-paid form will take place from Friday, 2 December 2016 to Friday, 9 December 2016 (both dates inclusive). If the conditions of the Rights Issue are not fulfilled or the Underwriting Agreement is terminated, the Rights Issue will not proceed.**

**Any Shareholders or other persons contemplating selling or purchasing Shares and/or Rights Shares in their nil-paid form who are in any doubt about their position are recommended to consult their professional advisers. Any Shareholders or other persons dealing in Shares up to the date on which all the conditions to which the Rights Issue is subject are fulfilled (and the date on which the Underwriter's right of termination of the Underwriting Agreement ceases) and any persons dealing in the nil-paid Rights Shares during the period from Friday, 2 December 2016 to Friday, 9 December 2016 (both dates inclusive) will accordingly bear the risk that the Rights Issue may not become unconditional and may not proceed.**

## **9. MAJOR TRANSACTION FOR EASYKNIT INTERNATIONAL**

### **The Undertakings**

As at the date of this joint announcement, Easyknit International, through Landmark Profits and Goodco, is interested in 475,330,692 Shares representing approximately 32.44% of the issued share capital of Eminence. Both Landmark Profits and Goodco have given the Undertakings in favour of Eminence and the Underwriter, among other things, (1) Landmark Profits and Goodco will subscribe for the 280,648,494 Rights Shares and 1,091,343,582 Rights Shares respectively to which they will be entitled pursuant to the terms of the Rights Issue; (2) the Shares comprising its current shareholding in Eminence will remain registered in their respective names at the Record Date as they are on the date of the Undertakings; and (3) they will procure that their applications in respect of their 280,548,494 Rights Shares and 1,091,343,582 Rights Shares respectively comprising their respective entitlement under the Rights Issue will be lodged with the Registrar, with payment in full therefor, by no later than the Acceptance Time and otherwise in accordance with the instructions printed on the PAL(s). Landmark Profits and Goodco will not apply for any excess Rights Shares.

Completion of the subscription for 1,371,992,076 Rights Shares pursuant to the Undertakings is conditional upon, among other things, the passing of the necessary resolution(s) by the Independent Shareholders at the SGM to approve, among other things, the Rights Issue and transactions contemplated thereunder.

### **Financial Impact on Easyknit International from the Undertakings**

Assuming: (1) Both Landmark Profits and Goodco subscribe for their provisional entitlement under the Rights Issue in full in accordance with the Undertakings; and (2) not all Qualifying Shareholders (other than Landmark Profits and Goodco) or the transferees to whom any Qualifying Shareholders have transferred their provisional entitlements to take up the Rights Shares to which they are entitled by the Acceptance Time and

otherwise in accordance with the instructions set out on the PAL(s), the indirect interest of Easyknit International in the share capital of Eminence immediately upon completion of Rights Issue will not be diluted and will remain to 32.44%.

The consideration for the subscription in full for the entitlement under the Rights Issue by Easyknit International exceeds 25% but less than 100% of certain applicable percentage ratios (as defined under the Listing Rules) and therefore constitutes a major transaction for Easyknit International under Chapter 14 of the Listing Rules.

Easyknit International will pay a total amount of approximately HK\$141.3 million to subscribe in full its entitlement under the Rights Issue pursuant to the Undertakings. The consideration will be fully satisfied in cash and will be financed by the internal resources of Easyknit International.

### **Reasons for the Undertakings**

The EI Directors consider the terms of the Undertakings are fair and reasonable and believe that the entering into Undertakings is in the best interests of Easyknit International and the EI Shareholders as a whole. The reasons for such belief are two- fold:

#### **(1) Eminence's future development in the property market**

The EI Board is optimistic about the future prospect of Eminence in the acquisition of the Matheson Remaining Unit and FW Remaining Units as mentioned under the section headed "Reasons for the Rights Issue and Use of Proceeds" above.

#### **(2) Subscription of Rights Shares**

As mentioned above, the estimated net proceeds to be received by Eminence to the Rights Issue will be approximately not less than HK\$432.1 million. The indirect interest of Easyknit International in the share capital of Eminence immediately upon completion of Rights Issue will not be diluted and remain to 32.44%.

Easyknit International proposes that the subscription of Rights Shares pursuant to the Undertakings be finance entirely by internal resource of Easyknit International.

Easyknit International is principally engaged in the businesses of property investment, property development, securities investment in securities and loan financing. The EI Board believes that the Rights Issue will strengthen the capital base of Eminence so that Eminence will be in a position to capture more business opportunities associated with its principal business engagements ahead, especially the acquisition of the target property. In addition, the Undertakings are given in order to support and maintain the value of Easyknit International's investment in Eminence and to maintain its pro rata shareholding in Eminence.

Taking into consideration the above reasons, the EI Board considers that the subscription of Rights Shares pursuant to the Undertakings is fair and reasonable and in the interests of the Easyknit International and EI Shareholders as a whole.

According to the annual report of Eminence for the year ended 31 March 2016, net profit and loss before and after taxation of its group for the years ended 31 March 2015 and 2016 respectively are summarised below:

	For the year ended 31 March	
	2016	2015
	<i>HK\$'000</i>	<i>HK\$'000</i>
Turnover	<b>103,439</b>	192,489
Profit (loss) before taxation	<b>(61,238)</b>	35,118
Profit (loss) after taxation	<b>(69,268)</b>	31,086

### **Listing Rules Implication to Easyknit International**

The consideration for the subscription in full for the entitlement under the Rights Shares exceeds 25% but less than 100% of certain applicable percentage ratios (as defined under the Listing Rules) and therefore constitutes a major transaction for Easyknit International under Chapter 14 of the Listing Rules and are therefore subject to reporting, announcement, circular and shareholders' approval requirements under the Listing Rules.

Pursuant to Rule 14.44 of the Listing Rules, in lieu of a resolution to be passed at a general meeting of Easyknit International, written approvals of the Acquisitions have been obtained from Sea Rejoice Limited and Magical Profits Limited, the substantial shareholders of Easyknit International with an aggregate interest in 46,609,144 EI Shares, representing approximately 58.69% of the issued share capital of Easyknit International as at the date of this announcement.

A circular containing, among other things, further details of the Undertakings and the transaction contemplated thereunder will be despatched to the EI Shareholders on or before Wednesday, 2 November 2016.

### **10. LISTING RULES IMPLICATIONS TO EMINENCE**

The Rights issue is subject to, among other things, the approval of the Independent Shareholders at the SGM. In accordance with the Listing Rules, Landmark Profits, Goodco and their respective associates will abstain from voting on the resolution(s) to approve the Rights Issue at the SGM.

An independent board committee of Eminence comprising the independent non-executive Directors will be established to make recommendations to the Independent Shareholders in respect of the Rights Issue. The members of the Independent Board Committee have no material interest in the Rights Issue. An independent financial adviser will be appointed to advise the Independent Board Committee and Independent Shareholders as to whether the terms and conditions of the Rights Issue are fair and reasonable and in the interest of Eminence and the Shareholders as a whole.

The SGM will be convened and held for Independent Shareholders to consider and, if thought fit, to approve, among other things, the Rights Issue. A circular containing, among other things, (i) further information on the Rights Issue; (ii) a letter of recommendation from the Independent Board Committee in respect of the Rights Issue; (iii) a letter of advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders on the Rights Issue; and (iv) a notice of the SGM, will be despatched to the Shareholders on or before Wednesday, 2 November 2016.

Upon the approval of the Rights Issue by the Independent Shareholders at the SGM, on Posting Date, the Prospectus Documents setting out the details of the Rights Issue will be despatched to the Qualifying Shareholders and the Prospectus will be despatched to the Non-Qualifying Shareholders for information only.

## DEFINITIONS

In this announcement, unless the context otherwise required, the following words and phrases have the following meanings:

“2014CB”	the 2% per annum coupon rate convertible note issued by The Company on 27 March 2014 in the aggregate principal amount of HK\$100,000,000 conferring rights to convert Shares on the basis of the then prevailing conversion price of HK\$22.72 per Share, of which the total outstanding amount is HK\$20,000,000
“2015CB”	the 2% per annum coupon rate convertible note issued by The Company on 12 June 2015 in the aggregate principal amount of HK\$86,000,000 conferring rights to convert Shares on the basis of the then prevailing conversion price of HK\$0.33 per Share, no conversion rights has been exercised yet
“2016CB”	the 2% per annum coupon rate convertible note issued by The Company on 27 July 2016 in the aggregate principal amount of HK\$50,000,000 conferring rights to convert Shares on the basis of the prevailing conversion price of HK\$0.225 per Share, of which a total of HK\$70,000,000 has already been converted
“Acceptance Time”	4:00 p.m. on Wednesday, 14 December 2016 (or such other time or date as the Underwriter may agree in writing with Eminence as the latest date for acceptance of, and payment of, Rights Shares)
“associates”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of directors of Eminence
“Business Day”	a day (other than a Saturday, Sunday or public holiday or a day on which typhoon signal 8 or above or black rainstorm is hoisted in Hong Kong at 9:00 a.m.) on which banks are generally open for business in Hong Kong
“Bye-laws”	the bye-laws of Eminence from time to time
“CB Holder(s)”	holder of 2014CB or 2015CB or 2016CB
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Companies Act”	The Companies Act 1981 of Bermuda
“connected persons”	has the meanings ascribed thereto in the Listing Rules
“controlling shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Convertible Notes”	2014CB, 2015CB and 2016CB

“Directors”	the directors of Eminence
“Eminence”	Eminence Enterprise Limited, an exempt company incorporated in Bermuda with limited liability, the securities of which are listed on the main board of the Stock Exchange
“EAF(s)”	the excess application form(s) to be issued in connection with the Rights Issue
“Easyknit International”	Easyknit International Holdings Limited, an exempted company incorporated in Bermuda with limited liability, the securities of which are listed on the main board of the Stock Exchange
“EI Board”	the board of directors of Easyknit International
“EI Directors”	the directors of Easyknit International
“EI Shareholder(s)”	holder(s) of share(s) of Easyknit International
“FW Building”	a building is known as Fung Wah Factorial Building which is situated at No. 646, 648 and 648A Castle Peak Road, Kowloon, Hong Kong with a total of 32 units
“FW Remaining Unit”	9 units of Fung Wah Factorial Building which are: (1) Units A1, C1 and D of ground floor; and (2) Units A, B and D of 1st floor; (3) Unit D of 2nd floor; and (4) Unit D of 4th floor; and (5) Units A of 5th floor
“Group”	Eminence and its subsidiaries
“Independent Board Committee”	an independent committee of the Board comprising all of the 3 independent non-executive Directors formed for the purpose of advising the Independent Shareholder(s) on the Rights Issue
“Independent Shareholders”	the Shareholders, other than the Directors (excluding the independent non-executive Directors), the chief executive of Eminence and their respective associates, who are not involved in, nor interested in, the Underwriting Agreement and the Undertakings
“SGM”	the special general meeting of Eminence to be convened and held to consider and approve, among other things, the proposed the Rights Issue
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of Eminence

“Goodco”	Goodco Development Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly owned subsidiary of Easyknit International, being a substantial Shareholder (as defined in the Listing Rules) of Eminence
“HKSCC”	the Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Landmark Profits”	Landmark Profits Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly owned subsidiary of Easyknit International, being a substantial Shareholder (as defined in the Listing Rules) of Eminence
“Last Trading Day”	12 October 2016, the date before entering into the Underwriting Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Matheson Remaining Unit”	ground floor of No. 11 Matheson Street, Causeway Bay, Hong Kong
“Non-Qualifying Shareholder(s)”	Overseas Shareholder(s) in respect of whom the Directors, based on legal opinions provided by legal advisers, consider it necessary or expedient not to offer the Rights Issue to such Overseas Shareholder(s) on account either of restrictions under the laws of the relevant place or the requirements of a relevant regulatory body or stock exchange in that place
“Overseas Shareholder(s)”	shareholder(s) whose name(s) appear on the register of members of Eminence at the close of business on the Record Date and whose address(es) as shown on such register is/are in a place(s) outside Hong Kong or Bermuda
“Posting Date”	Wednesday, 30 November 2016, or such other day as may be agreed between Eminence and the Underwriter, being the date of despatch of the Prospectus Documents
“PAL(s)”	the provisional allotment letter(s) to be issued in connection with the Rights Issue
“Prospectus”	the prospectus to be issued by Eminence in relation to the Rights Issue
“Prospectus Documents”	the Prospectus, PAL and EAF
“Qualifying Shareholder(s)”	Shareholder(s), other than the Non-Qualifying Shareholders, whose name(s) appear on the register of members of Eminence at the close of business on the Record Date

“Record Date”	Friday, 25 November 2016 or such other date as the Underwriter may agree in writing with Eminence as the date by reference to which entitlements to the Rights Issue are expected to be determined
“Registrar”	Tricor Secretaries Limited of Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong
“Rights Issue”	the proposed issue of the Rights Shares by way of rights to the Qualifying Shareholders for subscription on the terms to be set out in the Prospectus Documents and summarized herein
“Rights Share(s)”	Shares to be issued and allotted under the Rights Issue, being not less than 4,228,829,511 Shares based on the issued share capital of Eminence as at the date of this announcement, or if full exercise of the outstanding CBs, the Scheme Mandate Limit being fully utilised, and no Shares being repurchased by the Company on or before the Record Date, an aggregate of not more than 5,810,938,149 Shares
“Scheme Mandate Limit”	the maximum number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme of the Company, which shall not in aggregate exceed 10% of the Shares in issue as at the date of approval of the Share Option Scheme or of the refreshment of such limit
“Settlement Date”	Tuesday, 20 December 2016, being the fourth Business Day following the Acceptance Date or such later date as Eminence and the Underwriter may agree
“SFO”	The Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)
“Share Option Scheme”	the existing share option scheme adopted by the Company on 17 August 2016
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	HK\$0.103 per Rights Share
“substantial shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Takeovers Code”	the Hong Kong Codes on Takeovers and Mergers
“Undertakings”	the conditional irrevocable undertakings dated 13 October 2016 from Landmark Profits and Goodco to Eminence and the Underwriter as described in the section headed “Undertakings from Landmark and Goodco” in this announcement
“Underwriters”	China Rise and Get Nice
“Underwriting Agreement”	the underwriting agreement dated 13 October 2016 entered into between Eminence and the Underwriters in relation to the underwriting and certain other arrangements in respect of the Rights Issue



“Underwritten Shares” being all the Rights Shares other than the Rights Shares to be provisionally allotted to and accepted by Landmark Profits and Goodco pursuant to the Undertakings under the Underwriting Agreement, ie. not less than 2,856,837,435 Right Shares but not more than 4,436,305,230 Rights Shares

“%” percentage

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

By Order of the Board  
**EASYKNIT INTERNATIONAL  
HOLDINGS LIMITED**  
**Kwong Jimmy Cheung Tim**  
*President Chief Executive Officer*

Hong Kong, 13 October 2016

*As at the date hereof, the board of Directors comprises Mr. Kwong Jimmy Cheung Tim, Ms. Lui Yuk Chu and Ms. Koon Ho Yan Candy as executive directors; Mr. Tse Wing Chiu Ricky and Mr. Lai Law Kau as non-executive directors; and Mr. Kan Ka Hon, Mr. Lau Sin Ming and Mr. Foo Tak Ching as independent non-executive directors.*

*As at the date hereof, the board of EI Directors comprises Mr. Kwong Jimmy Cheung Tim, Ms. Lui Yuk Chu and Ms. Koon Ho Yan Candy as executive directors, Mr. Tse Wing Chiu Ricky and Mr. Lai Law Kau as non-executive directors and Mr. Tsui Chun Kong, Mr. Jong Koon Sang and Mr. Hon Tam Chun as independent non-executive directors.*