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EMINENCE ENTERPRISE LIMITED

高山企業有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 616)

CONTINUING CONNECTED TRANSACTION

The Board announces that on 24 August 2017, Easyknit Worldwide, a wholly-owned subsidiary of the Company, and Grandcorp entered into an Agreement in leasing the Premises.

Grandcorp is a wholly-owned subsidiary of Easyknit, which is in turn a substantial Shareholder of the Company, being indirectly interested in approximately 20.44% of the issued share capital of the Company. Grandcorp is therefore a connected person of the Company pursuant to Rule 14A.11(4) of the Listing Rules, and the Agreement therefore constitutes a continuing connected transaction for the Company.

The annual cap for the rental payable for the Premises under the Agreement is HK\$2,496,000. As the relevant percentage ratio(s) for the transaction contemplated under the Agreement is less than 5% under Rule 14A.34(1) of the Listing Rules, such transaction is only subject to the reporting and announcement requirements set out in Rules 14A.45 to 14A.47, the annual requirements set out in Rules 14A.37 to 14A.40 and the requirement set out in Rules 14A.35(1) and 14A.35(2) of the Listing Rules, and is exempt from the requirement of independent Shareholders' approval.

INTRODUCTION

On 24 August 2017, Easyknit Worldwide, a wholly-owned subsidiary of the Company (as tenant) entered into an Agreement with Grandcorp (as landlord) in connection with the leasing of the Premises.

THE AGREEMENT

A summary on the principal terms of the Agreement is set out below:

Date

24 August 2017

Parties

- (1) Easyknit Worldwide (as tenant); and
- (2) Grandcorp (as landlord)

Grandcorp is a wholly-owned subsidiary of Easyknit, which is in turn a substantial Shareholder of the Company, being indirectly interested in approximately 20.44% of the issued share capital of the Company. Grandcorp is therefore a connected person of the Company pursuant to Rule 14A.11(4) of the Listing Rules, and the Agreement therefore constitutes a continuing connected transaction for the Company.

Premises

Pursuant to the Agreement, Grandcorp has agreed to lease to Easyknit Worldwide, the Premises situated at Block A, 7th Floor, Hong Kong Spinners Building, Phase 6, 481-483 Castle Peak Road, Cheung Sha Wan, Kowloon, Hong Kong, including decoration, electrical appliances, furniture, air conditioning facilities and a car parking space located on No. L11 on the fourth floor. The Premises are leased for commercial use only.

Lease Term

3 years commencing on 1 September 2017 and expiring on 31 August 2020.

Rental

The rental for the Premises is at HK\$208,000 per month, exclusive of management fees, rates, government rent, water and electricity charges and other incidental expenses. The rental has been determined by reference to the market value of similar properties in similar locations as the Premises.

Deposit

A deposit of HK\$416,000 is payable by Easyknit Worldwide upon demand by Grandcorp. If Easyknit Worldwide should terminate the Agreement before the expiration of the term, Grandcorp shall be entitled to forfeit the deposit.

ANNUAL CAP

The annual caps for the Agreement are to be HK\$2,496,000 for each of the periods from 1 September 2017 to 31 August 2018; from 1 September 2018 to 31 August 2019 and from 1 September 2019 to 31 August 2020; being the aggregate annual rental payable for the Premises based on the monthly rental of HK\$208,000.

REASONS FOR ENTERING INTO THE AGREEMENT

The Directors are of the view that the entering into the Agreement by Easyknit Worldwide with Grandcorp will allow the Group continuing to be cost-effective in sharing the overhead expenses, such as office rental, general and administrative expenses incurred by the Easyknit group. Such office rental includes rental of the Premises.

The Directors (including the independent non-executive Directors) consider that the Agreement is on normal commercial terms which are fair and reasonable, and in the interests of the Group and the Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

Grandcorp is a wholly-owned subsidiary of Easyknit, which is in turn a substantial Shareholder of the Company, being indirectly interested in approximately 20.44% of the issued share capital of the Company. Grandcorp is therefore a connected person of the Company pursuant to Rule 14A.11(4) of the Listing Rules, and the Agreement therefore constitutes a continuing connected transaction for the Company.

As the relevant percentage ratio(s) for the transaction contemplated under the Agreement is less than 5% under Rule 14A.34(1) of the Listing Rules, such transaction is only subject to the reporting and announcement requirements set out in Rules 14A.45 to 14A.47, the annual requirements set out in Rules 14A.37 to 14A.40 and the requirement set out in Rules 14A.35(1) and 14A.35(2) of the Listing Rules, and is exempt from the requirement of independent Shareholders' approval.

INFORMATION ON THE GROUP AND EASYKNIT WORLDWIDE

The Group was principally engaged in property investment, property development, investment in securities and loan financing business.

Easyknit Worldwide is a company incorporated in Hong Kong and is an indirectly wholly-owned subsidiary of the Company.

INFORMATION ON GRANDCORP

The Company has been informed that Grandcorp is a company incorporated in Hong Kong and is a wholly-owned subsidiary of Easyknit, and that the principal business activity of Grandcorp is property investment.

DEFINITIONS

The following terms have the following meanings in this announcement unless the context otherwise requires:

“Agreement”	the tenancy agreement entered into between the Easyknit Worldwide and Grandcorp dated 24 August 2017 in respect of the leasing of the Premises
“Board”	the board of Directors
“Director(s)”	director(s) of the Company
“Company” and “Eminence”	Eminence Enterprise Limited, an exempted company incorporated in Bermuda with limited liability, the securities of which are listed on the main board of the Stock Exchange
“Easyknit Worldwide”	Easyknit Worldwide Company Limited, a company incorporated in Hong Kong with limited liability and an indirectly wholly-owned subsidiary of the Company

“Easyknit”	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 (Stock Code: 1218)
“Grandcorp”	Grandcorp Development Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of Easyknit
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the Peoples’ Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Premises”	the premises located at Block A, 7th Floor, Hong Kong Spinners Building, Phase 6, 481-483 Castle Peak Road, Cheung Sha Wan, Kowloon, Hong Kong and a car parking space of No. L11 on the 4th floor
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

By Order of the Board
Easyknit Enterprises Holdings Limited
Kwong Jimmy Cheung Tim
Chairman and Chief Executive Officer

Hong Kong, 28 August 2017

As at the date hereof, the Board comprises Mr. Kwong Jimmy Cheung Tim and Ms. Lui Yuk Chu as executive directors; and Mr. Kan Ka Hon, Mr. Lau Sin Ming, Mr. Foo Tak Ching and Mr. Wu Koon Yin Welly as independent non-executive directors.