

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



EMINENCE ENTERPRISE LIMITED

高山企業有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 616)

**POSSIBLE MAJOR TRANSACTION
IN RELATION TO
POSSIBLE DISPOSALS OF SHARES OF
HONG KONG EXCHANGES AND CLEARING LIMITED**

Possible Disposals of HKEx Shares

If the Group proceeds with the Proposed HKEx Disposal and on the assumption that all HKEx Interest held by the Group are to be disposed. The Proposed HKEx Disposal will constitute a major transaction under Rule 14.06(3) of the Listing Rules as the certain applicable percentage ratios of the Proposed HKEx Disposal exceeds 25% but are less than 75%, which is subject to the reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

In consideration of the above requirements, the Board proposes to seek the approval of the Shareholders at the SGM for the Proposed HKEx Disposal together with the grant of the HKEx Disposal Mandate to the Directors to dispose all or partial of the HKEx Interests during the Mandate Period.

A circular containing further details of the Proposed HKEx Disposal required under the Listing Rules, together with the notice of the SGM to approve the Proposed HKEx Disposal and the HKEx Disposal Mandate contemplated under is expected to be despatched to the Shareholders on or about 6 February 2018.

** for identification purposes only*

BACKGROUND

In general, the Group through its wholly-owned subsidiaries purchases and sells the listed securities including HKEx Shares in open market from time to time which could constitute notifiable transactions for the Company under the Listing Rules. In view of the prevailing market conditions, the Board proposes to dispose all or partial of the HKEx Interests in a gradual manner in order to generate revenues and good short term profits for the Group.

The Proposed HKEx Disposal constitutes a major transaction under Rule 14.06(3) of the Listing Rules as the certain applicable percentage ratios of the Proposed HKEx Disposal exceeds 25% but are less than 75%, which is subject to the reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

In consideration of the above requirements, the Board proposes to seek the approval of the Shareholders at the SGM for the Proposed HKEx Disposal and the grant of a general and conditional mandate to the Directors to dispose all or partial of the HKEx Interests at any time during a period of 12 months from the date of the SGM.

THE PROPOSED HKEX DISPOSAL

Terms and conditions of the Proposed HKEx Disposal

As at the date of this announcement, the Group beneficially owns a total of 686,523 HKEx Shares, which are listed and freely tradable on the Stock Exchange, representing approximately 0.05537% interest in the issued share capital of HKEx based on publicly available information.

It is proposed that the Group will proceed the Proposed HKEx Disposal so as to realise its securities investment under the following terms and conditions:

1. the Group will dispose all or partial of the HKEx Interests in the open market through the trading system of the Stock Exchange;
2. the selling price of the HKEx Shares will be the market price of the HKEx Shares at the relevant times, where the market price refers to the price allowed under the trading system of the Stock Exchange, but will not be less than HK\$183 before expense per HKEx Share, as explained below; and
3. the HKEx Disposal Mandate will be valid for a 12-month period from the date of passing of the relevant resolution(s) by the Shareholders at the SGM.

Basis for the determination of the minimum selling price for HKEx Share

According to the Group's book and records, the total acquisition cost for 686,523 HKEx Shares is approximately HK\$139,843,000 (excluding transaction cost) and the average acquisition cost per HKEx Share is HK\$203.7. The minimum selling price of HK\$183 per HKEx Share will be determined with reference to a discount of approximately 10% to the average acquisition cost of HK\$203.7 per HKEx Share, which reflects the lowest acceptable price to dispose the HKEx Shares.

The minimum selling price of HK\$183 per HKEx Share represents:

- a discount of approximately 36.55% to the closing price of HK\$288.4 per HKEx Share as quoted on the Stock Exchange on the Last Trading Day;
- a discount of approximately 33.45% to the average closing price of approximately HK\$275 per HKEx Share as quoted on the Stock Exchange for the last 5 trading days up to and including the Last Trading Day;
- a discount of approximately 25.00% to the average closing price of approximately HK\$244 per HKEx Share as quoted on the Stock Exchange for the last 30 trading days up to and including the Last Trading Day;
- a discount of approximately 12.02% to the average closing price of approximately HK\$208 per HKEx Share as quoted on the Stock Exchange during the 12-month period from 1 January 2017 to 31 December 2017; and
- a discount of approximately 3.17% to the average closing price of approximately HK\$189 per HKEx Share as quoted on the Stock Exchange during the 12-month period from 1 January 2016 to 31 December 2016.

In order to maximize efficiency for the Directors to act under the dynamic market conditions and economic situation during the Mandate Period, the Board considers that the deviation of the minimum selling price from the trading prices of the HKEx Shares (as illustrated above) is of strategic advantage to the Company and is in the interests of the Company and the Shareholders as a whole.

Having considered the above factors, the Board considers that the minimum selling price of HK\$183 per HKEx Share will allow flexibility for the Directors to accommodate fluctuations in the market conditions and enable the Directors to effectively exercise the HKEx Disposal Mandate under the volatile market conditions, and is thus fair and reasonable as far as the Company and the Shareholders are concerned.

Financial Effect of the Proposed HKEx Disposal

As disclosed above, the total acquisition cost for 686,523 HKEx Shares is approximately HK\$139,843,000. Assuming the disposal of all HKEx Interests at HK\$183 per HKEx Share, the estimated sale proceeds (excluding transaction cost) will be approximately HK\$125,633,709 and therefore, the Group is expected to recognize a loss of approximately HK\$14,209,291 for the Proposed HKEx Disposal.

Manners of the Proposed HKEx Disposal

The Proposed HKEx Disposal will be proceeded in accordance with the terms and conditions as stipulated in this announcement and also will comply with all relevant laws and regulations, including any applicable trading regulations governing the Proposed HKEx Disposal in Hong Kong.

Pursuant to the HKEx Disposal Mandate proposed to be granted to the Directors, the Group may dispose all or partial of the HKEx Interests on the HKSE through its trading system during the Mandate Period. Nevertheless, the Directors will consider various factors from time to time including general market conditions and the Company's funding arrangements (in particular the progress of making any new investments and the performance of the existing investments).

Further, the Group does not have any discussion with any party for the disposal of the HKEx Interests as at the date of this announcement. Nevertheless, the Board is of the view that it would be in the best interests of the Shareholders and the Company for the Directors to have flexibility in disposing of the HKEx Interests.

Information about HKEx

According to publicly available information, HKEx is a company incorporated in Hong Kong with limited liability and the shares of which are listed on the main board of the Stock Exchange (stock code: 388). According to its company profile available on the internet, HKEx is the holding company of the Stock Exchange, Hong Kong Futures Exchange Limited and Hong Kong Securities Clearing Company Limited and brings together the market organisations which have transformed Hong Kong's financial services industry from a domestically focused market to become a central market place in Asia attracting investment funds from all over the world. HKEx was listed in June 2000 following the integration of Hong Kong's securities and derivatives markets. HKEx services comprise trading, clearing and settlement, depository and nominee services, and information services.

The following information is extracted from the published documents of HKEx:

	For the nine months ended 30 September 2017 <i>HK\$ million</i>	For the year ended 31 December 2016 2015 <i>HK\$ million HK\$ million</i>	
Revenue	9,657	11,116	13,375
Profit before taxation	6,411	6,799	9,278
Net profit after taxation attributable to shareholders of HKEx	5,526	5,769	7,956
Total assets	282,551	247,318	238,193

REASONS FOR AND BENEFITS OF THE PROPOSED HKEX DISPOSAL

The Board considers that the Proposed HKEx Disposal represents a good opportunity to increase the cash flow of the Company and where necessary, generate revenue and good short term profits for the Group. Looking forward, the Board intends to apply the net proceeds from the Proposed HKEx Disposal for general working capital or other appropriate investment opportunities.

The Board also considers that the terms and conditions of the Proposed HKEx Disposal are fair and reasonable and in the best interests of the Company and the Shareholders as a whole after considering the prevailing market sentiments and conditions, and the financial needs of the Group. In the meantime, the HKEx Disposal Mandate will provide flexibility to the Directors to dispose all or partial of the HKEx Interests at the appropriate times and prices in order to maximize returns to the Group.

The Shareholders should note that the actual amounts of proceeds, accounting gain or loss and the effects on the net assets and earnings of the Group will depend on the actual selling prices of the proposed disposal of the HKEx Shares.

IMPLICATIONS OF THE PROPOSED HKEX DISPOSAL UNDER THE LISTING RULES

If the Group proceeds with the Proposed HKEx Disposal and on the assumption that all HKEx Interests held by the Group are to be disposed of. The Proposed HKEx Disposal constitutes a major transaction under Rule 14.06(3) of the Listing Rules as the certain applicable percentage ratios of the Proposed HKEx Disposal exceeds 25% but are less than 75%, which is subject to the reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

In consideration of the above requirements, the Board proposes to seek the approval of the Shareholders at the SGM for the Proposed HKEx Disposal together with the grant of the HKEx Disposal Mandate to the Directors to dispose all or partial of the HKEx Interests during the Mandate Period.

In the event that the Group finds out that the counterparty is a connected person before disposing of the HKEx Interests, the Company will strictly follow the announcement, reporting, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules as may be applicable.

A circular, containing further details of the Proposed HKEx Disposal together with a notice of the SGM to approve the Proposed HKEx Disposal and the HKEx Disposal Mandate contemplated under is expected to be despatched to the Shareholders on or about 6 February 2018.

To the best of the knowledge and belief of the Directors having made all reasonable enquiry, no Shareholder has a material interest in the matters which are the subject of the Proposed HKEx Disposal such that it must abstain from voting, and, accordingly, all Shareholders will be permitted to vote at the SGM.

INFORMATION ABOUT THE COMPANY

The Group's principal businesses are property investment, property development, securities investment and loan financing business.

GENERAL

Whether the Company decides to proceed with the Proposed HKEx Disposal (or not to proceed) will depend on a number of factors including without limitation prevailing market sentiments and market conditions at the proposed time of executing the Proposed HKEx Disposal. The decision will also be subject to compliance by the Company with all applicable laws and regulations and all applicable requirements under the Listing Rules. While the Company currently intends to proceed with the Proposed HKEx Disposal, it should be emphasized there is no assurance that the Company will necessarily proceed with any part of the Proposed HKEx Disposal.

The Shareholders and other public investors of the Company are therefore advised to exercise extreme caution when dealing in the Shares.

DEFINITIONS

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

“Board”	the board of Directors
“Company”	Eminence Enterprise Limited, an exempted company incorporated in Bermuda with limited liability, the Shares of which are listed on the main board of the Stock Exchange
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKEx”	Hong Kong Exchanges and Clearing Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the main board of the Stock Exchange (stock code: 388)
“HKEx Disposal Mandate”	a general and conditional mandate proposed to be granted by the Shareholders to the Directors to dispose all or part of the HKEx Interests during the Mandate Period in accordance with the terms and conditions set out in this announcement
“HKEx Interests”	686,523 HKEx Shares currently held by the Group as at the date of this announcement, which are freely tradable on the Stock Exchange
“HKEx Shares”	shares of HKEx

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party”	third party(ies) independent of the Company and connected persons of the Company
“Last Trading Day”	Tuesday, 16 January 2018, being the date prior to the publishing of this announcement for ascertaining information for inclusion in this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mandate Period”	the HKEx Disposal Mandate will be valid for a 12-month period from the date of passing of the relevant resolution(s) by the Shareholders at the SGM
“percentage ratios”	as defined in the Listing Rules
“PRC”	the People’s Republic of China
“Proposed HKEx Disposal”	the possible disposals of all or partial of HKEx Interests during the Mandate Period
“SGM”	special general meeting of the Shareholders of the Company
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Shares in issue
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

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

Hong Kong, 16 January 2018

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