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EMINENCE ENTERPRISE LIMITED

高山企業有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 616)

SUPPLEMENTAL ANNOUNCEMENT

DISCLOSEABLE TRANSACTION IN RELATION TO SUBSCRIPTION OF LIMITED PARTNERSHIP INTEREST

Reference is made to the announcement of the Company dated 27 March 2019 relating to discloseable transaction in relation to subscription of limited partnership interests. Unless otherwise specified, terms used herein are as defined in the announcement.

The Board would like to provide further information on the Limited Partnership to allow the Company's investors and Shareholders to access the merits and business rationale of the transaction.

BACKGROUND

On 26 March 2019, Prime Avenue, a direct wholly-owned subsidiary of the Company entered into the Subscription Agreement with the General Partner, pursuant to which Prime Avenue agreed to subscribe for the limited partnership interests in the Limited Partnership with a capital commitment of US\$5 million (equivalent to approximately HK\$39,000,000).

The operation and management of the Limited Partnership and all rights and obligations of the General Partner and the Limited Partners are stipulated in the Limited Partnership Agreement dated 26 March 2019.

Prime Avenue, through entering into the Subscription Agreement, became one of the Limited Partners in the Limited Partnership.

REASONS FOR AND BENEFITS OF THE SUBSCRIPTION

1. Reasonable and Diversified Investments Targets

The Limited Partnership aims at primarily investing in Asia-Pacific, including Australia, focused equities with a single limit exposure not exceeding 20% of the aggregate commitments of all Limited Partners where the equity stake of the Limited Partnership shall be large enough to ensure effective influence over strategy and operation of the equity, as well as, operational involvement through board room representation.

The Limited Partnership can invest in instruments that are equity-linked, such as

convertible or preferred instrument and warrants, with rights of pre-emption.

The Limited Partnership will target a broad range of industries and focus on sectors with attractive fundamentals, including but not limited to, consumer and retail, financial services, healthcare and age-care, education, and industrial and technology sectors etc. The target investees shall have strong market positions and/or high growth potential, and can demonstrate proven revenue model and/or consistent earning power, sustainable competitive advantage with compelling and innovative business models, products and solutions.

2. Well-Proven Track Record of the General Partner and Investment Committee Members

The business of the Limited Partnership will be conducted and managed by the General Partner who will act as agent of the Limited Partnership while the Investment Committee (comprising 3 members who are industry experts) shall decide and approve all investment and divestment decisions of the Limited Partnership with reference to the investment objective.

The General Partner, is an exempted company incorporated in the Cayman Islands with limited liability. It is principally engaged in investment and management of funds. The General Partner is wholly-owned by Templewater Holdings Limited, which is a joint venture between Investec Bank plc (“**Investec plc**”) and Mr. Cliff Zhang.

Investec plc is a FTSE 250 company dual listed in London and Johannesburg. Investec plc has extensive experience in investment banking, risk management, asset management, foreign exchange hedging, co-investment, corporate advisory, capital markets and private equity investments.

Mr. Cliff Zhang is experienced in corporate advisory, capital markets and private equity investments, and has experience working with family offices, corporates and entrepreneurs in Asia.

As for the Investment Committee, it will be comprised of Mr. Cliff Zhang, Ms. Tanis Crosby (Investec representative), and Mr. Gary Burg (independent member). Ms. Crosby heads up Investec Principal Investments UK, having established the team in 2012.

The Group has endeavoured in exploring opportunities for potential investments with a view to generating revenue and achieving better return for its Shareholders.

The Directors have considered the investment potentials and targets of the Limited Partnership, the track record of the General Partner and the Investment Committee members, the opportunity for the Group to invest in a diversified and wide range of investments, and are of the view that the Subscription represents a good investment opportunity for the Group to diversify the Group’s investment portfolio and risk, allowing the Group to engage in a wider investment coverage across different investment instruments, industries and locations, and to generate potential future income for the Group with lower capital commitment. Such a scope of investment will help and enlarge the diversification of the Company’s investments in and outside Hong Kong.

In view of the above, the Directors consider that terms of the Subscription Agreement and the Limited Partnership Agreement are fair and reasonable and on normal commercial terms, the Subscription is in the interests of the Company and its shareholders as a whole.

DEFINITIONS

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

- “Investment Committee” a committee established by the General Partner pursuant to the Limited Partnership Agreement whose principal responsibility will be to decide and approve all investment and divestment decisions of the Limited Partnership.
- “Limited Partnership Agreement” The first amended and restated limited partnership agreement for the Limited Partnership dated 26 March 2019 entered into between the General Partner, the new Limited Partners and the outgoing Limited Partner.

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

Hong Kong, 10 May 2019

If there is any conflict in this announcement between the Chinese version and English version, the English version shall prevail.

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.