

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)

PROPOSED CAPITAL REORGANISATION AND CHANGE IN BOARD LOT SIZE

PROPOSED CAPITAL REORGANISATION

The Board proposes to implement the Capital Reorganisation which will involve the Capital Reduction and the Share Subdivision, details of which are as follows:

(i) **Capital Reduction**

The Board proposes to implement the Capital Reduction, pursuant to which the issued share capital of the Company will be reduced by a reduction of the par value of each issued Existing Share from HK\$0.20 to HK\$0.01 which reduction will comprise a cancellation of HK\$0.19 of the paid-up capital on each issued Existing Share so that each issued Existing Share will be treated as one (1) fully paid up share of par value HK\$0.01 each in the share capital of the Company immediately following the Capital Reduction and the credit arising from the Capital Reduction will be credited to the contributed surplus account of the Company within the meaning of the Companies Act; and

(ii) **Share Subdivision**

Immediately following the Capital Reduction becoming effective, each authorised but unissued Existing Share will be sub-divided into twenty (20) authorised but unissued New Shares with a par value of HK\$0.01 each.

The Capital Reorganisation is conditional upon fulfillment of the conditions contained in the section headed “Conditions of the Capital Reorganisation” in this announcement.

PROPOSED CHANGE IN BOARD LOT SIZE

As at the date of this announcement, the Existing Shares are traded on the Stock Exchange in board lot size of 5,000 Existing Shares. The Board proposes to change the board lot size for trading on the Stock Exchange from 5,000 Existing Shares to 20,000 New Shares conditional upon the Capital Reorganisation becoming effective.

GENERAL

The SGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Capital Reorganisation. A circular containing, amongst other things, (i) details of the Capital Reorganisation and the Change in Board Lot Size; and (ii) a notice convening the SGM, and related form of proxy, is expected to be despatched to the Shareholders on or before Wednesday, 16 February 2022.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as no Shareholder has a material interest in the Capital Reorganisation, no Shareholder will be required to abstain from voting on the special resolution to approve the Capital Reorganisation at the SGM.

PROPOSED CAPITAL REORGANISATION

The Company proposes to implement the Capital Reorganisation which will involve the Capital Reduction and the Share Subdivision, details of which are as follows:

(i) Capital Reduction

The Company proposes to implement the Capital Reduction, pursuant to which the issued share capital of the Company will be reduced by a reduction of the par value of each issued Existing Share from HK\$0.20 to HK\$0.01 which reduction will comprise a cancellation of HK\$0.19 of the paid-up capital on each issued Existing Share so that each issued Existing Share will be treated as one (1) fully paid up share of par value HK\$0.01 each in the share capital of the Company immediately following the Capital Reduction and the credit arising from the Capital Reduction will be credited to the contributed surplus account of the Company within the meaning of the Companies Act; and

(ii) Share Subdivision

Immediately following the Capital Reduction becoming effective, each authorised but unissued Existing Share will be sub-divided into twenty (20) authorised but unissued New Shares with a par value of HK\$0.01 each.

Conditions of the Capital Reorganisation

The Capital Reorganisation is conditional upon the following conditions:

- (i) the passing of a special resolution by the Shareholders at the SGM to approve the Capital Reorganisation and transactions contemplated thereunder;
- (ii) the Listing Committee of the Stock Exchange granting the approval for listing of, and permission to deal in, the New Shares upon the Capital Reorganisation becoming effective;
- (iii) the compliance with the relevant procedures and requirements under the Companies Act to effect the Capital Reorganisation, which includes publication of a notice in relation to the Capital Reduction in Bermuda in accordance with the Companies Act and the Directors being satisfied that on the date the Capital Reorganisation is to take effect, there are no reasonable grounds for believing that the Company is, or after the Capital Reorganisation would be, unable to pay its liabilities as they become due;
- (iv) the compliance with the relevant procedures and requirements under the Listing Rules to effect the Capital Reorganisation; and
- (v) the obtaining of all necessary approvals from the regulatory authorities or otherwise as may be required in respect of the Capital Reorganisation.

Subject to the fulfillment of all the above conditions, the Capital Reorganisation is expected to become effective on Tuesday, 15 March 2022, being one (1) clear Business Day immediately after the date of SGM. As at the date of this announcement, none of the above conditions have been fulfilled.

Reasons for and effects of the Capital Reorganisation

As at the date of this announcement, the authorised share capital of the Company is HK\$400,000,000 divided into 2,000,000,000 Existing Shares of par value of HK\$0.20 each, of which 931,458,010 Existing Shares have been issued and 1,068,541,990 Existing Shares remain unissued. Assuming there will be no change in the issued share capital of the Company from the date of this announcement until the effective date of the Capital Reorganisation, the authorised share capital of the Company after the Capital Reorganisation will become HK\$400,000,000 divided into 40,000,000,000 New Shares of par value of HK\$0.01 each, of which 931,458,010 New Shares are issued and 39,068,541,990 New Shares remain unissued.

Assuming there will be no change in the issued share capital of the Company from the date of this announcement up to the date on which the Capital Reorganisation becomes effective, the share capital structure of the Company will be summarised as follows:

	As at the date of this announcement	Immediately upon the Capital Reorganisation becoming effective
Par value	HK\$0.20 per Existing Share	HK\$0.01 per New Share
Amount of the authorized share capital	HK\$400,000,000.00	HK\$400,000,000.00
Number of authorised shares	2,000,000,000 Existing Shares	40,000,000,000 New Shares
Amount of issued share capital	HK\$186,291,602.00	HK\$9,314,580.10
Number of issued shares	931,458,010 Existing Shares	931,458,010 New Shares
Amount of unissued share capital	HK\$213,708,398.00	HK\$390,685,419.90
Number of unissued shares	1,068,541,990 Existing Shares	39,068,541,990 New Shares

As at the date of this announcement, 931,458,010 Existing Shares were issued and were fully paid or credited as fully paid. Assuming that the par value of each of the 931,458,010 issued Existing Shares will be reduced from HK\$0.20 to HK\$0.01 per issued Existing Share by cancelling the paid-up share capital to the extent of HK\$0.19 per issued Existing Share by way of a reduction of capital, so as to form issued New Shares with par value of HK\$0.01 each, the Company's existing issued share capital of HK\$186,291,602.00 will be reduced by HK\$176,977,021.90 to HK\$9,314,580.10.

Certain amount of credit will arise as a result of the Capital Reduction. It is proposed that the credit arising in the accounts of the Company from the Capital Reduction will be transferred to the contributed surplus account of the Company within the meaning of the Companies Act, which will be used by the Board in any manner as the Board may deem fit as may be permitted under the applicable laws and the Bye-laws.

The Company has been constantly monitoring the trading prices of the Existing Shares. It was noted that the trading prices of the Existing Shares experienced a downward trend recently and has been traded below its par value. The Board considers that the proposed Capital Reorganisation will give the Company greater flexibility in pricing future capital raising exercise. The Board therefore considers that the proposed Capital Reorganisation is in the interests of the Company and the Shareholders as a whole.

Other than the relevant expenses, including but not limited to professional fees and printing charges incurred or to be incurred, the implementation of the Capital Reorganisation will have no effect on the consolidated net asset value of the Group, nor will it alter the underlying assets, business, operations, management or financial position of the Company or the proportionate interests of the Shareholders. The Board believes that the Capital Reorganisation will not have any material adverse effect on the financial position of the Group.

Status of the New Shares

All New Shares in issue immediately following the Capital Reorganisation becoming effective will rank *pari passu* in all respects with each other and the Capital Reorganisation will not result in any change in the relative rights of the Shareholders.

Listing of and dealings in the New Shares

Application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the New Shares arising from the Capital Reorganisation.

Subject to the granting of listing of, and permission to deal in, the New Shares on the Stock Exchange, the New Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the New Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

The New Shares will be identical in all respects and rank *pari passu* in all respects with each other as to all future dividends and distributions which are declared, made or paid. All necessary arrangements will be made for the New Shares to be admitted into CCASS.

None of the share capital or debt securities of the Company is listed or dealt in on any other stock exchange other than the Stock Exchange and no such listing or permission to deal is being or is proposed to be sought.

Exchange of share certificate(s) for the New Shares

Subject to the Capital Reorganisation becoming effective, which is expected to be on Tuesday, 15 March 2022, the Shareholders may on or after Tuesday, 15 March 2022 and until Monday, 25 April 2022 (both dates inclusive) submit their existing share certificates for the Existing Shares in blue to the Share Registrar, Tricor Secretaries Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for exchange for share certificates for the New Shares in pink at the expense of the Company. Thereafter, all existing share certificates for the Existing Shares will continue to be good evidence of legal title and may be exchanged for share certificates for the New Shares at any time but are not acceptable for delivery, trading, settlement and registration purposes.

PROPOSED CHANGE IN BOARD LOT SIZE

As at the date of this announcement, the Existing Shares are traded on the Stock Exchange in board lot size of 5,000 Existing Shares. The Board proposes to change the board lot size for trading on the Stock Exchange from 5,000 Existing Shares to 20,000 New Shares conditional upon the Capital Reorganisation becoming effective.

The Existing Shares are currently traded in board lots of 5,000 Existing Shares and the market value per board lot of the Existing Shares was HK\$670 based on the closing price of HK\$0.134 per Existing Share as quoted on the Stock Exchange on the date of this announcement. As set out in the “Guide on Trading Arrangements for Selected Types of Corporate Actions” issued by Hong Kong Exchanges and Clearing Limited, it is requested that the value of each board lot shall be no less than HK\$2,000, the Board proposes to change the board lot size of the Existing Shares for trading on the Stock Exchange from 5,000 Existing Shares to 20,000 New Shares. Upon the Change in Board Lot Size becoming effective, the Existing Shares will be traded in board lots of 20,000 New Shares and the estimated market value per board lot of the New Shares will be HK\$2,680 based on the closing price of HK\$0.134 per Share as quoted on the Stock Exchange on the date of this announcement. Further, the Board believes that the Change in Board Lot Size may save the transaction and registration costs incurred by the Shareholders and potential investors of the Company.

The Change in Board Lot Size will not result in change in the relative rights of the Shareholders. The Board is of the opinion that the Change in Board Lot Size is in the interests of the Company and the Shareholders as a whole.

Odd lots trading arrangement

In order to facilitate the trading of odd lots (if any) of the New Shares, the Company will appoint a securities firm as an agent to provide matching services, on a best effort basis, to those Shareholders who wish to acquire odd lots of the New Shares to make up a full board lot, or to dispose of their holding of odd lots of the New Shares. Details of the odd lots arrangement will be set out in the circular to be despatched to the Shareholders.

Holders of odd lots of the New Shares should note that the matching of the sale and purchase of odd lots of the New Shares is not guaranteed. The Shareholders who are in any doubt about the odd lots matching arrangement are recommended to consult their own professional advisers.

The Shareholders or potential investors of the Company should note that (i) odd lots will be created after the Capital Reorganisation and the Change in Board Lot Size; (ii) odd lots arrangements do not guarantee successful matching of all odd lots at the relevant market price; and (iii) odd lots might be sold below the market price.

As at the date of this announcement, the Company has no plan or intention to carry out any equity and/or other corporate actions which may have an effect of undermining or negating the intended purpose of the Capital Reorganisation and the Change in Board Lot Size in the next twelve (12) months. However, the Board cannot rule out the possibility that the Company will conduct debt and/or equity fund raising exercises when suitable fund raising opportunities arise in order to support future development of the Group. The Company will make further announcement(s) in this regard in accordance with the Listing Rules as and when appropriate.

EXPECTED TIMETABLE OF THE CAPITAL REORGANISATION

The expected timetable for the implementation of the Capital Reorganisation and the Change in Board Lot Size is as follows:

Event(s)	Time and date 2022
Expected date of despatch of the circular in relation to the Capital Reorganisation, notice of the SGM and form of proxy	Wednesday, 16 February
Latest date and time for lodging transfer(s) of the Existing Shares in order to qualify for attending and voting at the SGM	4:30 p.m. on Monday, 7 March
Closure of register of members of the Company for determining the entitlement to attend and vote at the SGM	From Tuesday, 8 March to Friday, 11 March (both dates inclusive)
Latest date and time for lodging forms of proxy for the SGM	9:00 a.m. on Wednesday, 9 March
Record date for attendance and voting at the SGM	Friday, 11 March
Expected time and date of the SGM to approve the Capital Reorganisation	9:00 a.m. on Friday, 11 March
Publication of announcement of the poll results of the SGM	Friday, 11 March
Register of members of the Company re-opens	Monday, 14 March

The following events are conditional on the fulfilment of the conditions for the implementation of the Capital Reorganisation and therefore the dates are tentative:

Expected effective date of the Capital Reorganisation	9:00 a.m. on Tuesday, 15 March
Commencement of dealings in the New Shares	9:00 a.m. on Tuesday, 15 March
First day of free exchange of the existing share certificates for the new share certificates for the New Shares	Tuesday, 15 March
Last day for trading of the Existing Shares in board lot of 5,000 Existing Shares	Monday, 28 March

Event(s)	Time and date 2022
Effective date of the Change in Board Lot Size from 5,000 Existing Shares to 20,000 New Shares	9:00 a.m. on Tuesday, 29 March
Designated broker starts to stand in the market to provide matching services for the sale and purchase of odd lots of the New Shares	9:00 a.m. on Tuesday, 29 March
Designated broker ceases to stand in the market to provide matching services for the sale and purchase of odd lots of the New Shares	4:00 p.m. on Thursday, 21 April
Last day and time for free exchange of the existing share certificates of the Existing Shares for the new share certificates for the New Shares	4:30 p.m. on Monday, 25 April

The expected timetable set out above is subject to the results of the SGM and fulfillment of the conditions of the Capital Reorganisation and is therefore for indicative purpose only. All times and dates in this announcement refer to Hong Kong local times and dates. Any change(s) to the expected timetable will be announced in a separate announcement by the Company as and when appropriate.

GENERAL

The SGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Capital Reorganisation. A circular containing, amongst other things, (i) details of the Capital Reorganisation and the Change in Board Lot Size; and (ii) a notice convening the SGM, and related form of proxy, is expected to be despatched to the Shareholders on or before Wednesday, 16 February 2022.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as no Shareholder has a material interest in the Capital Reorganisation, no Shareholder will be required to abstain from voting on the special resolution to approve the Capital Reorganisation at the SGM.

DEFINITIONS

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

“Board”	the board of the Directors
“Business Day(s)”	a day (other than a Saturday and Sunday or a day on which a black rainstorm warning or tropical cyclone warning signal number 8 or above is hoisted in Hong Kong at any time between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon) on which banks are open for business in Hong Kong
“Bye-laws”	the bye-laws for the time being adopted by the Company and as amended from time to time
“Capital Reduction”	the proposed reduction in the issued share capital of the Company as detailed in the section headed “Proposed Capital Reorganisation” of this announcement
“Capital Reorganisation”	collectively, the Capital Reduction and the Share Subdivision
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“CCASS Operational Procedures”	the Operational Procedures of HKSCC in relation to CCASS, containing the practices, procedures and administrative requirements relating to operations and functions of CCASS, as from time to time
“Change in Board Lot Size”	the proposed change in board lot size of the Shares for trading on the Stock Exchange from 5,000 Existing Shares to 20,000 New Shares conditional upon the Capital Reorganisation becoming effective
“Companies Act”	the Companies Act 1981 of Bermuda (as amended from time to time)
“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 (Stock Code: 616)
“Director(s)”	the director(s) of the Company
“Existing Share(s)”	ordinary share(s) of par value of HK\$0.20 each in the share capital of the Company prior to the Capital Reorganisation becoming effective
“Group”	the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Committee”	has the meaning ascribed to such term in the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Main Board”	the main board maintained and operated by the Stock Exchange
“New Share(s)”	ordinary share(s) with par value of HK\$0.01 each in the share capital of the Company immediately after the Capital Reorganisation becoming effective
“PRC”	the People’s Republic of China
“SGM”	the special general meeting of the Company to be held to consider and, if thought fit, approve, among other things, the Capital Reorganisation
“Shareholder(s)”	holder(s) of the Existing Share(s) or the New Share(s) (as the case may be)
“Share Registrar”	Tricor Secretaries Limited, the branch share registrar and transfer office of the Company in Hong Kong, the address of which is at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong
“Share Subdivision”	the proposed subdivision of each authorized but unissued Existing Share into twenty (20) authorized and unissued New Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

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

Hong Kong, 28 January 2022

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

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