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## **EMINENCE ENTERPRISE LIMITED**

**高山企業有限公司**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 616)**

### **PLACING OF NEW SHARES UNDER GENERAL MANDATE**

**Placing Agent**



**金利豐證券**  
**KINGSTON SECURITIES**

#### **THE PLACING**

On 30 March 2022 (after trading hours), the Placing Agent and the Company entered into the conditional Placing Agreement pursuant to which the Company has conditionally agreed to place through the Placing Agent, on a best effort basis, up to 186,280,000 Placing Shares at the Placing Price of HK\$0.10 per Placing Share to currently expected to be not less than six (6) Placees who and whose ultimate beneficial owners are Independent Third Parties. The Placing Shares will be allotted and issued pursuant to the General Mandate.

Assuming that there will be no change in the issued share capital of the Company between the date of this announcement and the Completion, the maximum number of Placing Shares under the Placing represents (i) approximately 19.99% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 16.67% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares (assuming only the Placing is completed in full). The aggregate nominal value of the maximum number of the Placing Shares under the Placing will be HK\$1,862,800.

The Placing Price of HK\$0.10 per Placing Share represents (i) a discount of approximately 13.04% to the closing price of HK\$0.115 per Share as quoted on the Stock Exchange on 30 March 2022, being the date of the Placing Agreement; and (ii) a discount of approximately 15.82% to the average closing price of HK\$0.1188 per Share on the Stock Exchange for the five (5) consecutive trading days immediately prior to the date of the Placing Agreement.

Subject to the Completion, it is expected that the maximum gross and net proceeds (after deducting the placing commission and other relevant costs and expenses of the Placing) from the Placing will be approximately HK\$18,628,000 and HK\$18,380,000 respectively. On such basis, the net issue price will be approximately HK\$0.10 per Placing Share. It is expected that the net proceeds from the Placing will be used for the Group's general working capital.

**Since the Completion is subject to the fulfillment or waiver of the conditions as set out in the Placing Agreement, the Placing may or may not proceed. The Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the securities of the Company.**

## **THE PLACING AGREEMENT**

On 30 March 2022 (after trading hours), the Placing Agent and the Company entered into the conditional Placing Agreement pursuant to which the Company has conditionally agreed to place through the Placing Agent, on a best effort basis, up to 186,280,000 Placing Shares at the Placing Price of HK\$0.10 per Placing Share to currently expected to be not less than six (6) Placees who and whose ultimate beneficial owners are Independent Third Parties.

The principal terms and conditions of the Placing Agreement are set out below.

### **Date**

30 March 2022 (after trading hours)

### **Parties**

- (a) The Company as the issuer; and
- (b) Kingston Securities Limited as the Placing Agent

### **Placing Agent**

Pursuant to the terms and conditions of the Placing Agreement, the Company has conditionally agreed to place through the Placing Agent, on a best effort basis, up to 186,280,000 Placing Shares to currently expected to be not less than six (6) independent Placees who and whose ultimate beneficial owners are Independent Third Parties. The terms and conditions of the Placing Agreement were arrived at after arm's length negotiation between the Company and the Placing Agent under normal commercial terms and with reference to the prevailing market conditions. The Directors are of the view that the terms and conditions of the Placing Agreement are fair and reasonable based on current market conditions.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owners are Independent Third Parties. As at the date of this announcement, the Placing Agent and its ultimate beneficial owners were not interested in any other securities of the Company. The Placing Agent will be entitled to receive a placing commission of 1% of the Placing Price in respect of such number of the Placing Shares successfully placed by the Placing Agent plus any other out-of-pocket charges and expenses by the Placing Agent in relation to the Placing.

### **Placees**

The Placing Agent will, on a best effort basis, place the Placing Shares to currently expected to be not less than six (6) Placees (who are independent professional, institutional or other investors), who and whose ultimate beneficial owner(s) are Independent Third Parties. It is not expected that the Placing Agent or any Placees will become a substantial Shareholder as a result of the Placing.

## **Number of the Placing Shares**

Assuming that there will be no change in the issued share capital of the Company between the date of this announcement and the Completion, the maximum number of the Placing Shares under the Placing represents (i) approximately 19.99% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 16.67% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares (assuming only the Placing is completed in full). The aggregate nominal value of the maximum number of the Placing Shares under the Placing will be HK\$1,862,800.

## **Ranking of the Placing Shares**

The Placing Shares under the Placing will rank, upon issue, *pari passu* in all respects with the Shares in issue on the date of allotment and issue of the Placing Shares.

## **Placing Price**

The Placing Price of HK\$0.10 per Placing Share represents (i) a discount of approximately 13.04% to the closing price of HK\$0.115 per Share as quoted on the Stock Exchange on 30 March 2022, being the date of the Placing Agreement; and (ii) a discount of approximately 15.82% to the average closing price of HK\$0.1188 per Share on the Stock Exchange for the five (5) consecutive trading days immediately prior to the date of the Placing Agreement.

The Placing Price was determined after arm's length negotiation between the Company and the Placing Agent with reference to the prevailing market prices of the Shares. The Directors (including the independent non-executive Directors) consider that the terms and conditions of the Placing Agreement (including the Placing Price and the placing commission) are fair and reasonable based on the current market conditions and in the interests of the Company and the Shareholders as a whole.

Subject to the Completion, it is expected that the maximum gross and net proceeds (after deducting the placing commission and other relevant costs and expenses of the Placing) from the Placing will be approximately HK\$18,628,000 and HK\$18,380,000 respectively. On such basis, the net issue price will be approximately HK\$0.10 per Placing Share. It is expected that the net proceeds from the Placing will be used for the Group's general working capital.

## **General Mandate to allot and issue of the Placing Shares**

The Placing Shares will be issued under the General Mandate to allot, issue and deal with the Shares granted to the Directors by resolution of the Shareholders passed at the AGM subject to the limit up to 20% of the then issued share capital of the Company of 931,458,010 Shares as at the date of the AGM. Under the General Mandate, the Company is authorised to issue up to 186,291,602 Shares. Up to the date of this announcement, no Share has been issued under the General Mandate. Accordingly, the issue of the Placing Shares is not subject to the approval of the Shareholders.

## **Conditions of the Placing Agreement**

Completion is conditional upon:

- (a) the Listing Committee of the Stock Exchange granting or agreeing to grant the listing of, and permission to deal in, the Placing Shares; and
- (b) the obligations of the Placing Agent under the Placing Agreement not being terminated in accordance with the terms and conditions of the Placing Agreement, including provisions regarding force majeure events.

## **Completion of the Placing**

Completion of the Placing, in any event, will take place within five (5) Business Days after the fulfillment of the conditions set out in paragraph headed “Conditions of the Placing Agreement” above or such other date to be agreed between the Company and the Placing Agent in writing (the “**Completion Date**”). If the above conditions are not satisfied and/or waived (other than condition (a) above, which cannot be waived) in whole or in part by the Placing Agent on or before 5:00 p.m. on Friday, 22 April 2022 or such later date to be agreed between the Company and the Placing Agent in writing, the Placing will be terminated and the Placing will not proceed and all obligations and liabilities of the parties hereunder will forthwith cease and determine and no party will have any claim against the others (save for any antecedent breaches hereof).

## **Termination of the Placing Agreement**

The Placing Agent may terminate the Placing Agreement by notice in writing prior to 9:00 a.m. on the Completion Date, if in the absolute opinion of the Placing Agent, the success of the Placing would be materially and adversely affected by any force majeure events:

- (i) the introduction of any new laws or regulations or any change in existing laws or regulations (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may, in the absolute opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or
- (ii) the occurrence of 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 Placing Agreement) of a political, military, financial, economic, 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 sui generis with any of the foregoing), or in the nature of any local, national, international outbreak or escalation of hostilities or armed conflict, or affecting local securities market or the occurrence of any combination of circumstances which may, in the absolute opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or adversely prejudices the success of the placing of the Placing Shares by potential investor(s) or otherwise makes it inexpedient or inadvisable for the Company or the Placing Agent to proceed with the Placing; or

- (iii) any change in market conditions or combination of circumstances in Hong Kong (including without limitation suspension or material restriction on trading in securities) occurs which affect the success of the Placing (such success being the placing of the Shares to potential investor(s)) or otherwise in the absolute opinion of the Placing Agent make it inexpedient or inadvisable or inappropriate for the Company or the Placing Agent to proceed with the Placing.

If, at or prior to 9:00 a.m. on the Completion Date:

- (a) the Company commits any material breach of or omits to observe any of the obligations or undertakings expressed or assumed under the Placing Agreement; or
- (b) the trading of the Shares on the Stock Exchange has been suspended for more than ten consecutive trading days save for the purposes of clearing of the announcement relating to the Placing Agreement or any announcements or circulars relating to the Placing; or
- (c) the Placing Agent shall become aware of the fact that any of the representations or warranties contained in the Placing Agreement was, when given, untrue or inaccurate or would in any respect be untrue or inaccurate if repeated the Placing Agent shall determine that any such untrue representation or warranty represents or is likely to represent a material adverse change in the financial or trading position or prospects of the Group taken as a whole or will otherwise likely to have a material prejudicial effect on the Placing,

the Placing Agent shall be entitled (but not bound) by notice in writing to the Company to elect to treat such matter or event as releasing and discharging the Placing Agent from its obligations under the Placing Agreement.

Upon giving of notice pursuant to the paragraph above, all obligations of the Placing Agent hereunder shall cease and determine and no party shall have any claim against any other parties in respect of any matter or thing arising out of or in connection with the Placing Agreement, save for any antecedent breaches. The Directors are not aware of the occurrence of any of such events as at the date of this announcement.

## **APPLICATION FOR LISTING OF PLACING SHARES**

Application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Placing Shares under the Placing.

## REASONS FOR AND BENEFITS OF THE PLACING AND USE OF PROCEEDS

The principal activity of the Company is investment holding. The Group is principally engaged in property development, property investment, investment in securities and loan financing businesses. It is expected that the maximum gross and net proceeds from the Placing will be approximately HK\$18,628,000 and HK\$18,380,000 respectively.

The net proceeds raised per Share after the Completion will be approximately HK\$0.10 per Share. It is expected that the net proceeds from the Placing will be used for the Group's general working capital.

The Board is of the view that the Placing will strengthen the financial position of the Company and provide funding to the Company to meet any future investment opportunities. The Placing also represents good opportunities to broaden the Shareholders' base and the capital base of the Company. The Directors (including the independent non-executive Directors) consider that the terms and conditions of the Placing Agreement are fair and reasonable and are on normal commercial terms and the Placing is in the interests of the Company and the Shareholders as a whole.

## EFFECTS OF PLACING ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately upon Completion (assuming the maximum number of the Placing Shares are placed in full and there is no other change in the share capital of the Company from the date of this announcement up to the Completion) are set out as follows:

	As at the date of this announcement		Immediately upon Completion	
	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>
<b>Substantial Shareholders</b>				
Easyknit	27,000,000	2.90	27,000,000	2.42
Ace Winner Investment Limited	484,538,175	52.02	484,538,175	43.35
Goodco Development Limited	161,445,295	17.33	161,445,295	14.44
Landmark Profits Limited	23,387,370	2.51	23,387,370	2.09
	<u>696,370,840</u>	<u>74.76</u>	<u>696,370,840</u>	<u>62.30</u>
Hu Rong	47,030,000	5.05	47,030,000	4.21
The Placees	-	-	186,280,000	16.67
Other public Shareholders	188,057,170	20.19	188,057,170	16.82
<b>Total</b>	<u><b>931,458,010</b></u>	<u><b>100.00</b></u>	<u><b>1,117,738,010</b></u>	<u><b>100.00</b></u>

## FUND RAISING ACTIVITIES OF THE COMPANY DURING THE PAST TWELVE MONTHS

The Company had not conducted any equity fund raising activities during the past twelve (12) months immediately preceding the date of this announcement.

**Since the Completion is subject to the fulfillment or waiver of the conditions as set out in the Placing Agreement, the Placing may or may not proceed. The Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the securities of the Company.**

## DEFINITIONS

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

“AGM”	the annual general meeting of the Company held on 13 August 2021
“Board”	the board of the Directors
“Business Day(s)”	any day (excluding Saturday, Sunday and public holidays) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours
“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)
“Completion”	completion of the Placing pursuant to the terms and conditions of the Placing Agreement
“Completion Date”	on the fifth (5th) Business Day upon the fulfillment of conditions set out in the Placing Agreement (or such other date as the Company and the Placing Agent may agree in writing); in any event, the date of the Completion shall be no later than Friday, 22 April 2022 (or such later date as may be agreed by the parties hereto in writing)
“connected person(s)”	has the meaning as ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Easyknit”	Easyknit International Holdings Limited (永義國際集團有限公司), 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: 1218)

“General Mandate”	the general mandate granted to the Directors by the Shareholders at the AGM to allot, issue or deal with new Shares up to 20% of the then issued share capital of the Company as at the date of the AGM
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	third party(ies) independent of and not connected with the Company and its connected persons and is not acting in concert (as defined in the Takeovers Code) with any of the connected persons of the Company or any of their respective associates (as defined in the Listing Rules)
“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
“Placee(s)”	any individual(s), corporation(s), institutional investor(s) or other professional investor(s) to be procured by or on behalf of the Placing Agent under the Placing
“Placing”	the offer by way of private placing of the Placing Shares by or through the Placing Agent to the Placee(s) on the terms and subject to the conditions set out in the Placing Agreement
“Placing Agent”	Kingston Securities Limited, the placing agent and a licensed corporation to carry on business in Type 1 (dealing in securities) regulated activity under the SFO
“Placing Agreement”	the conditional placing agreement dated 30 March 2022 entered into between the Company and the Placing Agent in relation to the Placing under the General Mandate
“Placing Price”	HK\$0.10 per Placing Share
“Placing Share(s)”	an aggregate of up to 186,280,000 new Shares to be placed pursuant to the Placing Agreement
“PRC”	the People’s Republic of China
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company



“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Code on Takeovers and Mergers and Share Buy-backs of Hong Kong
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

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

Hong Kong, 30 March 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.*