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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 SPECIFIC MANDATE

Placing Agent



金利豐證券

KINGSTON SECURITIES

THE PLACING

On 27 July 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, a maximum of up to 607,400,000 Placing Shares at the Placing Price of HK\$0.068 per Placing Share to 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 Specific 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 40.00% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 28.57% 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\$6,074,000.

The Placing Price of HK\$0.068 per Placing Share represents (i) a discount of approximately 12.82% to the closing price of HK\$0.078 per Share as quoted on the Stock Exchange on 27 July 2022, being the date of the Placing Agreement; (ii) a discount of approximately 19.62% to the average closing price of HK\$0.0846 per Share on the Stock Exchange for the five (5) consecutive trading days immediately prior to the date of the Placing Agreement; and (iii) a discount of approximately 21.11% to the average closing price of HK\$0.0862 per Share on the Stock Exchange for the ten (10) 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\$41,303,200 and HK\$40,800,000 respectively. On such basis, the net issue price will be approximately HK\$0.0672 per Placing Share. It is expected that the net proceeds from the Placing will be used for the Group's general working capital.

LISTING RULES IMPLICATIONS

The Placing Shares will be allotted and issued under the Specific Mandate which are subject to the approval of the Shareholders at the SGM. The SGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Placing Agreement and transactions contemplated thereunder, including the grant of the Specific Mandate for the allotment and issue of the Placing Shares. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, as at the date of this announcement, no Shareholders have a material interest in the Placing Agreement and transactions contemplated thereunder and therefore, no Shareholders will be required to abstain from voting at the SGM to approve the relevant resolution(s) regarding the Placing and the Specific Mandate.

A circular containing, among other things, further details of the Placing Agreement, a notice convening the SGM and other information as required under the Listing Rules is expected to be despatched to the Shareholders on or before 16 August 2022.

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.

The Company has not conducted any rights issue, open offer or specific mandate placing within the twelve (12)-month period immediately preceding the date of this announcement, or prior to such twelve (12)-month period where dealing in respect of the Shares issued pursuant thereto commenced within such twelve (12)-month period, nor has it issued any bonus securities, warrants or other convertible securities within such twelve (12)-month period. The Placing does not result in a theoretical dilution effect of 25% or more. As such, the theoretical dilution impact of the Placing is in compliance with Rule 7.27B of the Listing Rules.

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 27 July 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, a maximum of up to 607,400,000 Placing Shares at the Placing Price of HK\$0.068 per Placing Share to 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

27 July 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, a maximum of up to 607,400,000 Placing Shares to 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 not less than six (6) Placees at the Placing Price pursuant to the terms and conditions of the Placing Agreement. The Placing Agent shall use its best endeavours to ensure that, among others, (i) each and every of the Placee who is an individual, institutional or professional investor is an Independent Third Party; (ii) the Company will meet the public float requirements under Rule 8.08 of the Listing Rules immediately after the Placing; (iii) no Placee(s) will become a substantial Shareholder (as defined in the Listing Rules) as a result of the Placing upon the Completion; and (iv) no Placee(s) shall be required to make any mandatory general offer for the Shares pursuant to Rule 26.1 of the Takeovers Code.

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 40.00% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 28.57% 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\$6,074,000.

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\$0.068 per Placing Share represents (i) a discount of approximately 12.82% to the closing price of HK\$0.078 per Share as quoted on the Stock Exchange on 27 July 2022, being the date of the Placing Agreement; (ii) a discount of approximately 19.62% to the average closing price of HK\$0.0846 per Share on the Stock Exchange for the five (5) consecutive trading days immediately prior to the date of the Placing Agreement; and (iii) a discount of approximately 21.11% to the average closing price of HK\$0.0862 per Share on the Stock Exchange for the ten (10) 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\$41,303,200 and HK\$40,800,000 respectively. On such basis, the net issue price will be approximately HK\$0.0672 per Placing Share. It is expected that the net proceeds from the Placing will be used for the Group's general working capital.

Conditions of the Placing Agreement

The Completion is conditional upon the fulfilment of all of the following conditions:

- (a) the duly passing of resolution(s) at the SGM by the Shareholders in relation to the Placing Agreement and the Specific Mandate for the allotment and issue of the Placing Shares in accordance with the terms and conditions under the Placing Agreement;
- (b) the Listing Committee of the Stock Exchange granting or agreeing to grant the listing of, and permission to deal in, the Placing Shares;
- (c) the Bermuda Monetary Authority having granted all, and not revoking any necessary approvals and permissions for the creation, allotment and issue of the Placing Shares, if applicable; and
- (d) the obligations of the Placing Agent under the Placing Agreement not being terminated in accordance with the terms under the Placing Agreement, including provisions regarding force majeure event.

Save for the condition (a) above, if the above conditions precedent are not satisfied and/or waived in whole or in part by the Placing Agent on or before the Long Stop Date, the Placing shall be terminated and the Placing shall not proceed and all obligations and liabilities of the Placing Agent and those of the Company under the Placing Agreement shall cease and determine forthwith and no party shall have any claim whatsoever against the other party in relation thereto save for any antecedent breach of the Placing Agreement and without prejudice to the accrued rights and liabilities of each party.

Termination of the Placing Agreement

Pursuant to the Placing Agreement, the Placing Agent is entitled to terminate the arrangements set out in the Placing Agreement by notice in writing prior to 9:00 a.m. on the Completion Date, if in its absolute opinion, the success of the Placing would be materially and adversely affected by any of the following force majeure events:

- (i) the introduction of any new laws or regulations or any changes 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 (such success being the placing of the Placing Shares to 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 or trading in securities) occurs which affect the success of the Placing (such success being the placing of the Placing Shares to potential investor(s)) or otherwise in the absolute opinion of the Placing Agent makes it inexpedient or inadvisable or inappropriate for the Company or the Placing Agent to proceed with the Placing.

Pursuant to the Placing Agreement, if, at or prior to 9:00 a.m. on the Completion Date,

- (i) 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
- (ii) any suspension in the trading of the Shares on the Stock Exchange for more than ten (10) consecutive trading days save for the purposes of clearing of the any announcement(s) relating to the Placing Agreement or any announcement(s) or circular(s) relating to the Placing; or
- (iii) 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 in its absolute opinion 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 notice pursuant to the paragraph above, all obligations of the Placing Agent under the Placing Agreement shall cease and determine and no parties shall have any claim against any other party of the Placing Agreement in respect of any matter or thing arising out of or in connection with the Placing Agreement, save for any antecedent breaches.

Upon termination of the Placing Agreement, all liabilities of the parties shall cease and determine and no party shall have any claim against the other parties in respect of any matter or thing arising out of or in connection with the Placing Agreement save in respect of any antecedent breaches.

Completion

The Completion, in any event, will take place on the Completion Date 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.

Application for Listing

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.

Specific Mandate

The Placing Shares will be allotted and issued under the Specific Mandate which are subject to the approval of the Shareholders at the SGM.

REASONS FOR AND BENEFITS OF THE PLACING AND USE OF PROCEEDS

The Company is an investment holding company incorporated in Bermuda with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 616). The Group is principally engaged in property development, property investment, investment in securities and others and loan financing businesses.

Assuming the maximum number of the Placing Shares is fully placed by the Placing Agent, the maximum gross and net proceeds from the Placing (after deducting the placing commission and other relevant costs and expenses incurred in the Placing) will be approximately HK\$41,303,200 and HK\$40,800,000 respectively. The net proceeds raised per Share after the Completion will be approximately HK\$0.0672 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 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 the 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 the Completion	
	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>
Substantial Shareholders				
Easyknit	27,000,000	1.78	27,000,000	1.27
Ace Winner Investment Limited	484,538,175	31.91	484,538,175	22.79
Goodco Development Limited	562,231,961	37.02	562,231,961	26.45
Landmark Profits Limited	23,387,370	1.54	23,387,370	1.10
	<u>1,097,157,506</u>	<u>72.25</u>	<u>1,097,157,506</u>	<u>51.61</u>
Hu Rong	47,030,000	3.10	47,030,000	2.21
The Placees	-	-	607,400,000	28.57
Other public Shareholders	374,337,170	24.65	374,337,170	17.61
Total	<u>1,518,524,676</u>	<u>100.00</u>	<u>2,125,924,676</u>	<u>100.00</u>

EQUITY FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST TWELVE (12) MONTHS

Date of announcement	Equity fund raising activity	Net proceeds raised	Proposed use of proceeds	Actual use of proceeds as at the date of this announcement
30 March 2022	Placing of new shares under general mandate	Approximately HK\$18,380,000	For the Group's general working capital	All proceeds were fully utilized as intended use

Save as disclosed above, the Company has not conducted any other equity fund raising activities in the past twelve (12) months immediately preceding the date of this announcement.

LISTING RULES IMPLICATIONS

The Placing Shares will be allotted and issued under the Specific Mandate which are subject to the approval of the Shareholders at the SGM. The SGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Placing Agreement and transactions contemplated thereunder, including the grant of the Specific Mandate for the allotment and issue of the Placing Shares. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, as at the date of this announcement, no Shareholders have a material interest in the Placing Agreement and transactions contemplated thereunder and therefore, no Shareholders will be required to abstain from voting at the SGM to approve the relevant resolution(s) regarding the Placing and the Specific Mandate.

A circular containing, among other things, further details of the Placing Agreement, a notice convening the SGM and other information as required under the Listing Rules is expected to be despatched to the Shareholders on or before 16 August 2022.

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.

The Company has not conducted any rights issue, open offer or specific mandate placing within the twelve (12)-month period immediately preceding the date of this announcement, or prior to such twelve (12)-month period where dealing in respect of the Shares issued pursuant thereto commenced within such twelve (12)-month period, nor has it issued any bonus securities, warrants or other convertible securities within such twelve (12)-month period. The Placing does not result in a theoretical dilution effect of 25% or more. As such, the theoretical dilution impact of the Placing is in compliance with Rule 7.27B of the Listing Rules.

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:

“associates”	has the meaning ascribed thereto under the Listing Rules
“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 fourth (4th) 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)
“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)
“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”	the listing committee appointed by the Stock Exchange for considering applications for listing and approving the listing of and dealing with securities on the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	any Business Day not later than Friday, 30 September 2022 or such later date as the parties may agree in writing, being the date on which all the conditions precedent of the Placing Agreement have been satisfied or waived, and if such a date is not a Business Day, then the Long Stop Date shall be postponed to immediately following Business Day
“Main Board”	the main board maintained and operated by the Stock Exchange
“Placee(s)”	any investor who is an individual, institutional or professional investor selected and/or procured by or on behalf of the Placing Agent as contemplated by the Placing Agreement and is (i) independent of the Company (and the Group), its connected person(s) and their respective associate(s), and (ii) independent of and not parties acting in concert with any person(s), other Placee(s) or the Shareholder(s) to the effect that any Placing to such investor shall not trigger any mandatory offer obligation under Rule 26.1 of the Takeovers Code, procured by the Placing Agent to subscribe for the Placing Shares pursuant to the Placing Agent’s obligations under the Placing Agreement

“Placing”	the offer by way of private placing of the Placing Shares by or on behalf of the Placing Agent to the Placee(s), on a best effort basis, 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 27 July 2022 entered into between the Company and the Placing Agent in relation to the Placing under the Specific Mandate
“Placing Price”	HK\$0.068 per Placing Share
“Placing Share(s)”	a maximum of up to 607,400,000 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)
“SGM”	the special general meeting of the Company to be convened and held for the Shareholders to consider and, if thought fit, approve the Placing Agreement and transactions contemplated thereunder, including the grant of the Specific Mandate to allot and issue the Placing Shares
“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)
“Specific Mandate”	the specific mandate to be granted by the Shareholders to the Board at the SGM for the allotment and issue of a maximum of up to 607,400,000 Placing Shares
“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, 27 July 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.