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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 Share Consolidation, the Capital Reduction and the Share Subdivision.

(i) Share Consolidation

The Share Consolidation will involve a consolidation of every forty (40) issued and unissued Existing Shares of par value of HK\$0.01 each into one (1) Consolidated Share of par value of HK\$0.40 each. As at the date of this announcement, (a) the authorised share capital of the Company is HK\$400,000,000 divided into 40,000,000,000 Existing Shares of par value HK\$0.01 each. Immediately after the Share Consolidation, the authorised share capital of the Company will be HK\$400,000,000 divided into 1,000,000,000 Consolidated Shares of par value HK\$0.40 each; and (b) there are 2,125,924,676 Existing Shares of par value of HK\$0.01 each in issue which are fully paid or credited as fully paid. On the basis of such issued share capital, there will be 53,148,116 Consolidated Shares of par value HK\$0.40 each in issue upon the Share Consolidation becoming effective.

(ii) Capital Reduction

Immediately upon the Share Consolidation becoming effective, the Capital Reduction will involve a reduction of the par value of each issued Consolidated Share from HK\$0.40 to HK\$0.01 by (a) eliminating any fraction of a Consolidated Share in the issued share capital of the Company arising from the Share Consolidation in order to round down the total number of the Consolidated Shares to a whole number; and (b) cancelling HK\$0.39 of the paid-up capital of the Company on each issued Consolidated Share so that each issued New Share will be treated as one (1) fully paid-up share of par value of 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 transferred to the contributed surplus account of the Company within the meaning of the Companies Act.

(iii) Share Subdivision

Immediately following the Share Consolidation and the Capital Reduction becoming effective, each authorised but unissued Consolidated Share (including those authorised unissued Consolidated Shares arising from the Capital Reduction) will be subdivided into forty (40) authorised but unissued New Shares of par value of HK\$0.01 each.

The Capital Reorganisation is conditional upon fulfillment of the conditions as set out 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 existing board lot size of 20,000 Existing Shares. The Board proposes that, subject to and conditional upon the Capital Reorganisation becoming effective, the board lot size for trading on the Stock Exchange will be changed from 20,000 Existing Shares to 5,000 New Shares. Based on the closing price of HK\$0.016 per Existing Share as quoted on the Stock Exchange as at the date of this announcement, the value of each new board lot of 5,000 New Shares would be HK\$3,200 upon the Capital Reorganisation and the Change in Board Lot Size becoming effective.

GENERAL

The SGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Capital Reorganisation and transactions contemplated thereunder. A circular containing, among other things, details of the Capital Reorganisation, the Change in Board Lot Size, and a notice convening the SGM and related form of proxy, is expected to be despatched to the Shareholders on or before Friday, 16 June 2023. 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 in relation to the Capital Reorganisation at the SGM.

The Shareholders and potential investors of the Company should note that the Capital Reorganisation is conditional upon the fulfillment of the conditions as set out in the section headed “Conditions of the Capital Reorganisation” in this announcement and the Change in Board Lot Size is conditional upon the Capital Reorganisation becoming effective. Accordingly, the Capital Reorganisation and the Change in Board Lot Size may or may not proceed. The Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company. If they are in any doubt, they should consult their professional advisers.

PROPOSED CAPITAL REORGANISATION

The Board proposes to implement the Capital Reorganisation which will involve the Share Consolidation, the Capital Reduction and the Share Subdivision.

(i) Share Consolidation

The Share Consolidation will involve a consolidation of every forty (40) issued and unissued Existing Shares of par value of HK\$0.01 each into one (1) Consolidated Share of par value of HK\$0.40 each. As at the date of this announcement, (a) the authorised share capital of the Company is HK\$400,000,000 divided into 40,000,000,000 Existing Shares of par value HK\$0.01 each. Immediately after the Share Consolidation, the authorised share capital of the Company will be HK\$400,000,000 divided into 1,000,000,000 Consolidated Shares of par value HK\$0.40 each; and (b) there are 2,125,924,676 Existing Shares of par value HK\$0.01 each in issue which are fully paid or credited as fully paid. On the basis of such issued share capital, there will be 53,148,116 Consolidated Shares of par value HK\$0.40 each in issue upon the Share Consolidation becoming effective. The Consolidated Shares will rank *pari passu* in all respects with each other.

(ii) Capital Reduction

Immediately upon the Share Consolidation becoming effective, the Capital Reduction will involve a reduction of the par value of each issued Consolidated Share from HK\$0.40 to HK\$0.01 by (a) eliminating any fraction of a Consolidated Share in the issued share capital of the Company arising from the Share Consolidation in order to round down the total number of the Consolidated Shares to a whole number; and (b) cancelling HK\$0.39 of the paid-up capital of the Company on each issued Consolidated Share so that each issued New Share will be treated as one (1) fully paid-up share of par value of 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 transferred to the contributed surplus account of the Company within the meaning of the Companies Act.

(iii) Share Subdivision

Immediately following the Share Consolidation and the Capital Reduction becoming effective, each authorised but unissued Consolidated Share (including those authorised unissued Consolidated Shares arising from the Capital Reduction) will be subdivided into forty (40) authorised but unissued New Shares of par value of HK\$0.01 each.

Conditions of the Capital Reorganisation

The implementation of the Capital Reorganisation is conditional upon:

- (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 in issue and to be issued upon the Capital Reorganisation becoming effective;

- (iii) the compliance with the relevant procedures and requirements under the Companies Act and applicable laws of Bermuda 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 Friday, 14 July 2023, which is one (1) clear Business Day immediately after the date of the SGM. As at the date of this announcement, none of the above conditions had been fulfilled.

Application for listing of and dealings in the New Shares

An application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the New Shares in issue and to be issued upon the Capital Reorganisation becoming effective and the New Shares which may be issued pursuant to the conversion of the 2023 Convertible Note under the terms and conditions of the 2023 Convertible Note.

Subject to the granting of the approval of listing of, and permission to deal in, the New Shares on the Stock Exchange, as well as compliance with the stock admission requirements of HKSCC, upon the Capital Reorganisation being effective, 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 (2nd) 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. All necessary arrangements will be made for the New Shares to be admitted into CCASS established and operated by HKSCC.

None of the Existing Shares are listed or dealt in on any other stock exchange other than the Stock Exchange, and at the time the Capital Reorganisation become effective, the New Shares in issue will not be listed or dealt in on any stock exchange other than the Stock Exchange, and no such listing or permission to deal is being or is proposed to be sought.

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 40,000,000,000 Existing Shares of par value of HK\$0.01 each, of which 2,125,924,676 Existing Shares have been issued and are fully paid or credited as fully paid and 37,874,075,324 Existing Shares remain unissued.

Assuming that no further Existing Shares are allotted, issued or repurchased from the date of this announcement up to and including the effective date of the Capital Reorganisation, immediately upon the Capital Reorganisation becoming effective, the authorised share capital of the Company shall become HK\$400,000,000 divided into 40,000,000,000 New Shares of par value of HK\$0.01 each, of which 53,148,116 New Shares will have been issued and will be fully paid or credited as fully paid and 39,946,851,884 New Shares will remain unissued.

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

	As at the date of this announcement	Immediately upon the Share Consolidation becoming effective	Immediately upon the Capital Reorganisation becoming effective
Par value	HK\$0.01 per Existing Share	HK\$0.40 per Consolidated Share	HK\$0.01 per New Share
<u>Authorised share capital</u>			
Amount of authorised share capital	HK\$400,000,000.00	HK\$400,000,000.00	HK\$400,000,000.00
Number of authorised shares	40,000,000,000 Existing Shares	1,000,000,000 Consolidated Shares	40,000,000,000 New Shares
<u>Issued share capital</u>			
Amount of issued share capital	HK\$21,259,246.76	HK\$21,259,246.40	HK\$531,481.16
Number of issued shares	2,125,924,676 Existing Shares	53,148,116 Consolidated Shares	53,148,116 New Shares
<u>Unissued share capital</u>			
Amount of unissued share capital	HK\$378,740,753.24	HK\$378,740,753.60	HK\$399,468,518.84
Number of unissued shares	37,874,075,324 Existing Shares	946,851,884 Consolidated Shares	39,946,851,884 New Shares

As at the date of this announcement, 2,125,924,676 Existing Shares were issued and were fully paid or credited as fully paid. Assuming that the par value of each of the 2,125,924,676 issued Existing Shares will be reduced from HK\$0.40 to HK\$0.01 per issued Consolidated Share by (a) eliminating any fraction of a Consolidated Share in the issued share capital of the Company arising from the Share Consolidation in order to round down the total number of the Consolidated Shares to a whole number; and (b) cancelling the paid-up share capital to the extent of HK\$0.39 per issued Consolidated 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\$21,259,246.76 will be reduced by HK\$20,727,765.60 to HK\$531,481.16.

A 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.

As at the date of this announcement, other than the outstanding 2023 Convertible Note, the Company does not have any other derivatives, options, warrants, other securities or conversion rights or other similar rights which are convertible or exchangeable into, any Existing Shares or Consolidated Shares or New Shares.

Status of the New Shares

Upon the Capital Reorganisation becoming effective, 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 in accordance with the Company's memorandum of association and the Bye-laws.

Other than the relevant expenses, including but not limited to professional fees and printing charges to be incurred in relation to the Capital Reorganisation, the implementation of the Capital Reorganisation will not alter the underlying assets, business operations, management or financial position of the Company or the proportionate interests or rights of the Shareholders. The Board believes that the Capital Reorganisation will not have any material adverse effect on the financial position of the Company and that on the date the Capital Reorganisation is to be effected, 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. The Capital Reorganisation will not involve any diminution of any liability in respect of any unpaid capital of the Company or the repayment to the Shareholders of any unpaid capital of the Company nor will it result in any change in the relative rights of the Shareholders.

Free exchange of share certificate(s) for the New Shares

Subject to the Capital Reorganisation becoming effective, which is expected to be on Friday, 14 July 2023, being one (1) clear Business Day immediately after the date of the SGM, the Shareholders may, during the period from Friday, 14 July 2023 to Monday, 21 August 2023 (both dates inclusive), submit their existing share certificate(s) for the Existing Shares in pink colour to the Share Registrar, Tricor Secretaries Limited at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong, during business hours to exchange for new share certificate(s) for the New Shares in purple colour at the expense of the Company. Thereafter, share certificate(s) for the Existing Shares will be accepted for exchange only upon payment of a fee of HK\$2.50 (or such other amount as may be specified by the Stock Exchange from time to time) for each share certificate for the Existing Shares submitted for cancellation or each new share certificate issued for the New Shares, whichever the number of certificate(s) cancelled or issued is higher. The existing share certificate(s) will only be valid for delivery, trading, settlement and registration purposes for the period up to 4:10 p.m. on Thursday, 17 August 2023 and thereafter will not be accepted for delivery, trading, settlement and registration purposes. However, the existing share certificate(s) will continue to be good evidence of title to the New Shares on the basis of every forty (40) Existing Shares for one (1) Consolidated Share. The new share certificate(s) for the New Shares will be issued in purple colour in order to distinguish them from the share certificate(s) for the Existing Shares which are in pink colour.

Fractional entitlement to the New Shares

Fractional New Shares arising from the Capital Reorganisation and the Change in Board Lot Size, if any, will be disregarded and will not be issued to the Shareholders but all such fractional New Shares will be aggregated and, if possible, sold for the benefits of the Company.

The Shareholders concerned about losing out on any fractional entitlement are recommended to consult their professional advisers and may wish to consider the possibility of buying or selling the Existing Shares in a number sufficient to make up an entitlement to receive a whole number of the New Shares.

Odd lots trading arrangements and matching services

In order to facilitate the trading of odd lots (if any) of the New Shares arising from the Capital Reorganisation and the Change in Board Lot Size, a designated broker will be appointed by the Company 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. 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. Details of the odd lots trading arrangements and the matching services will be provided in the circular to be despatched to the Shareholders.

The Shareholders or potential investors of the Company should note that (i) the above odd lots trading arrangements do not guarantee successful matching of all odd lots at the relevant market price; and (ii) odd lots might be sold below the market price. If they are in any doubt, they should consult their professional advisers.

ADJUSTMENT IN RELATION TO THE OTHER SECURITIES OF THE COMPANY

As at the date of this announcement, the Company has outstanding 2023 Convertible Note which is convertible into 1,971,698,113 Existing Shares at an initial conversion price of HK\$0.106 per conversion Existing Share (subject to adjustments) pursuant to the terms and conditions of the 2023 Convertible Note. Under the relevant terms and conditions of the 2023 Convertible Note, the Capital Reorganisation may lead to adjustment to the conversion price and the number of the New Shares falling to be issued upon conversion of the 2023 Convertible Note. The Company will make further announcement(s) on such adjustment as and when appropriate.

Save for the aforesaid, as at the date of this announcement, the Company has no other outstanding options, warrants or securities in issue which are convertible or exchangeable into the Existing Shares or the Consolidated Shares or the New Shares (as the case may be).

PROPOSED CHANGE IN BOARD LOT SIZE

As at the date of this announcement, the Existing Shares were traded on the Stock Exchange in existing board lot size of 20,000 Existing Shares. The Board proposes to change the board lot size for trading on the Stock Exchange to 5,000 New Shares conditional upon the Capital Reorganisation becoming effective. Based on the closing price of HK\$0.016 per Existing Share (equivalent to the theoretical price of HK\$0.64 per Consolidated Share) as quoted on the Stock Exchange as at the date of this announcement, (i) the value of each board lot of 20,000 Existing Shares is HK\$320; (ii) the value of each board lot of 20,000 New Shares would be HK\$12,800 assuming the Capital Reorganisation had become effective; and (iii) the value of each new board lot of 5,000 New Shares would be HK\$3,200 assuming the Change in Board Lot Size had also been effective.

The Change in Board Lot Size will not result in change in the relative rights of the Shareholders.

REASONS FOR THE CAPITAL REORGANISATION AND THE CHANGE IN BOARD LOT SIZE

Pursuant to Rule 13.64 of the Listing Rules, where the market price of the Existing Shares approaches the extremities of HK\$0.01 or HK\$9,995.00, the Company may be required either to change the trading method or to proceed with a consolidation or splitting of the Existing Shares. The “Guide on Trading Arrangements for Selected Types of Corporate Actions” issued by the Hong Kong Exchanges and Clearing Limited on 28 November 2008 and updated on 1 October 2020 (the “**Guide**”) has further stated that (i) market price of the Existing Shares at a level less than HK\$0.10 each will be considered as trading at extremity as referred to under Rule 13.64 of the Listing Rules; and (ii) taking into account the minimum transaction costs for a securities trade, the expected value per board lot should be greater than HK\$2,000. On this basis, the Board considers that it is appropriate to implement the Capital Reorganisation.

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. The Board considers that the Capital Reorganisation will give the Company greater flexibility in pricing future capital raising exercise. At as the date of this announcement, the closing price of the Existing Shares as quoted on the Stock Exchange is HK\$0.016 each and they have been traded below HK\$0.10 and the existing board lot value has been less than HK\$2,000 since 13 June 2022. The Board considers that the Capital Reorganisation and the Change in Board Lot Size are expected to bring about a corresponding upward adjustment in the trading price per new board lot of the New Shares. The Capital Reorganisation would also enable the share price and the value of the new board lot to comply with the minimum transaction costs for a securities trade with the expected board lot value of greater than HK\$2,000 as set out in the Guide under the Listing Rules. In addition, the Capital Reorganisation and the Change in Board Lot Size would reduce the overall transaction and handling costs of dealings in the New Shares as a proportion of the market value of each board lot, since most of the banks or securities houses will charge a minimum transaction cost for each securities trade. It is expected that the Capital Reorganisation would maintain the trading amount for each board lot at a reasonable level and attract a broader range of investors of the Company and thus further broaden the Shareholders' base, including institutional investors whose house rules might otherwise prohibit or restrict trading in securities that are priced below a prescribed floor. It is also expected that the liquidity in trading of the New Shares will increase accordingly.

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.

In view of the above reasons, the Board considers that the Capital Reorganisation and the Change in Board Lot Size are justifiable. Accordingly, the Board is of the view that the Capital Reorganisation and the Change in Board Lot Size are beneficial to and in the interests of the Company and the Shareholders as a whole.

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

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 2023
Expected date of despatch of circular in relation to the Capital Reorganisation and the Change in Board Lot Size together with the notice of the SGM and form of proxy	on or before Friday, 16 June
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 Thursday, 6 July
Closure of register of members of the Company for determining the entitlement to attend and vote at the SGM	from Friday, 7 July to Wednesday, 12 July (both dates inclusive)
Latest date and time for lodging forms of proxy for the SGM	9:00 a.m. on Monday, 10 July
Record date for attendance and voting at the SGM	Wednesday, 12 July
Expected time and date of the SGM	9:00 a.m. on Wednesday, 12 July
Publication of announcement of poll results of the SGM	Wednesday, 12 July
Register of members of the Company re-opens	Thursday, 13 July

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

Event(s)	Time and date 2023
Expected effective date of the Capital Reorganisation	Friday, 14 July
First day of free exchange of existing share certificate(s) of the Existing Shares for new share certificate(s) of the New Shares	Friday, 14 July
Dealing in the New Shares commences.	9:00 a.m. on Friday, 14 July
Original counter for trading in the Existing Shares in board lot size of 20,000 Existing Shares (in the form of existing share certificate(s) in pink colour) temporarily closes	9:00 a.m. on Friday, 14 July
Temporary counter for trading in the New Shares in board lot size of 500 New Shares (in the form of existing share certificate(s) in pink colour) opens	9:00 a.m. on Friday, 14 July
Expected effective date of the Change in Board Lot Size	Friday, 28 July
Original counter for trading in the New Shares in new board lot size of 5,000 New Shares (in the form of new share certificate(s) in purple colour) re-opens	9:00 a.m. on Friday, 28 July
Parallel trading in the New Shares (in the form of new share certificate(s) in purple colour and existing share certificate(s) in pink colour) commences	9:00 a.m. on Friday, 28 July
Designated broker starts to stand in the market to provide matching services for odd lots of the New Shares	9:00 a.m. on Friday, 28 July
Designated broker ceases to stand in the market to provide matching services for odd lots of the New Shares	4:00 p.m. on Thursday, 17 August

Event(s)	Time and date 2023
Temporary counter for trading in the New Shares in board lot size of 500 New Shares (in the form of existing share certificate(s) in pink colour) closes	4:10 p.m. on Thursday, 17 August
Parallel trading in the New Shares (in the form of new share certificate(s) in purple colour and existing share certificate(s) in pink colour) ends	4:10 p.m. on Thursday, 17 August
Last day for free exchange of existing share certificate(s) for new share certificate(s)	Monday, 21 August

All times and dates specified in the timetable above refer to Hong Kong times and dates.

The timetable is indicative only and may be extended or varied. Any change to the expected timetable above will be announced 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 and transactions contemplated thereunder. A circular containing, among other things, details of the Capital Reorganisation, the Change in Board Lot Size and a notice convening the SGM and related form of proxy is expected to be despatched to the Shareholders on or before Friday, 16 June 2023. 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 in relation to the Capital Reorganisation at the SGM.

The Shareholders and potential investors of the Company should note that the Capital Reorganisation is conditional upon the fulfillment of the conditions as set out in the section headed "Conditions of the Capital Reorganisation" in this announcement and the Change in Board Lot Size is conditional upon the Capital Reorganisation becoming effective. Accordingly, the Capital Reorganisation and the Change in Board Lot Size may or may not proceed. The Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company. If they are in any doubt, they should consult their professional advisers.

DEFINITIONS

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

“2023 Convertible Note”	the 5% per annum coupon rate convertible note in a principal amount of HK\$209,000,000 issued by the Company to Goodco on 20 February 2023 (as amended from time to time) at an initial conversion price of HK\$0.106 per conversion share (subject to adjustments) due on 19 February 2028 pursuant to the terms and conditions of the 2023 Convertible Note
“Board”	the board of the Directors
“Business Day(s)”	a day (other than a Saturday, Sunday and public holidays 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 “Capital Reduction” of this announcement
“Capital Reorganisation”	collectively, the Share Consolidation, 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 amended from time to time
“Change in Board Lot Size”	the proposed change in board lot size for trading on the Stock Exchange from 20,000 Existing Shares to 5,000 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)
“Consolidated Share(s)”	ordinary share(s) of par value of HK\$0.40 each in the share capital of the Company immediately after the Share Consolidation becoming effective
“Director(s)”	the director(s) of the Company
“Easyknit”	Easyknit International Holdings 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: 1218)
“Existing Share(s)”	ordinary share(s) of par value of HK\$0.01 each in the share capital of the Company prior to the Capital Reorganisation becoming effective
“General Rules of CCASS”	the terms and conditions regulating the use of CCASS, as may be amended or modified from time to time and where the context so permits, shall include the CCASS Operational Procedures
“Goodco”	Goodco Development Limited, the holder of the 2023 Convertible Note, a company incorporated in the British Virgin Islands with limited liability, and an indirect wholly-owned subsidiary of Easyknit and a substantial Shareholder (as defined in the Listing Rules)
“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) of par value of HK\$0.01 each in the share capital of the Company upon 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 and transactions contemplated thereunder
“Shareholder(s)”	holder(s) of the Existing Share(s) or the Consolidated Share(s) or the New Share(s) (as the case may be)
“Share Consolidation”	the proposed consolidation of every forty (40) issued and unissued Existing Shares into one (1) Consolidated Share
“Share Registrar”	Tricor Secretaries Limited, the Company’s branch share registrar and transfer office in Hong Kong, the address of which is at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong
“Share Subdivision”	the proposed subdivision of each authorised but unissued Consolidated Share into forty (40) authorised 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, 29 May 2023

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.