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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



結好證券有限公司
GET NICE SECURITIES LIMITED

THE PLACING

On 3 July 2017, after trading hours, the Company and the Placing Agent entered into the Placing Agreement pursuant to which the Placing Agent agreed to place, on a best effort basis, to currently expected not less than six independent Placees for up to 325,000,000 new Shares at a price of HK\$0.08 per Placing Share.

The maximum number of 325,000,000 Placing Shares under the Placing represents approximately 17% of the entire issued share capital of the Company as at the date of this announcement and approximately 14.53% of the enlarged issued share capital of the Company after the Placing.

The Placing is conditional upon, among other things, the Listing Committee of the Stock Exchange granting or agreeing to grant the listing of and permission to deal in the Placing Shares. If such condition is not fulfilled, the Placing will not proceed.

As the Placing may or may not complete, the Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

THE PLACING AGREEMENT

Date

3 July 2017, after trading hours

Parties

- (a) the Company; and
- (b) the Placing Agent

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owners are Independent Third Parties.

Placees

The Placing Shares will be placed to currently expected not less than six Placees and their ultimate beneficial owners will be Independent Third Parties. If any of Placees becomes a substantial shareholder of the Company (as defined under the Listing Rules) after the completion of the Placing, a further announcement will be made accordingly.

Placing Shares

Up to 325,000,000 Placing Shares will be placed by the Placing Agent on a best effort basis. The Placing Shares represent (i) approximately 17% of the entire issued share capital of the Company of 1,911,832,059 Shares as at the date of this announcement; and (ii) approximately 14.53% of the enlarged issued share capital of the Company of 2,236,832,059 Shares after the Placing.

Ranking of Placing Shares

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

Placing Price

The Placing Price of HK\$0.08 per Placing Share was agreed after arm's length negotiations between the Company and the Placing Agent, with reference to, among other things, the recent trading price of the Shares on the Stock Exchange. The Placing Price represents:

- (i) no discount to the closing price of HK\$0.08 per Share as quoted on the Stock Exchange on 3 July 2017, being the last trading day immediately prior to the entering into of the Placing Agreement; and
- (ii) a discount of approximately 10.71% to the average closing price of approximately HK\$0.0896 per Share as quoted on the Stock Exchange for the last 5 full trading days of the Shares immediately prior to the entering into of the Placing Agreement.

General Mandate

The Placing Shares will be issued pursuant to the refreshed general mandate to allot, issue and deal with up to 382,366,411 Shares, which was granted to the Directors by a resolution of the independent Shareholders passed at the special general meeting of the Company on 26 April 2017.

As at the date of this announcement, no Share has been issued pursuant to the said general mandate.

Conditions Precedent

Completion of the Placing is conditional upon:

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

Completion

Completion of the Placing, in any event, will take place within four business days after the fulfillment of the conditions as set out in paragraph headed “Conditions Precedent” 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 (i) above, which cannot be waived) in whole or in part by the Placing Agent on or before 5:00 p.m. on the Long Stop Date, 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 / Force Majeure

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:

- (a) 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
- (b) 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 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
- (c) 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 this Placing Agreement; or
- (b) any suspension in the trading of the Shares on the Stock Exchange 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 and 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.

As the Placing may or may not complete, the Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

REASONS FOR THE PLACING AND USE OF PROCEEDS

As at 30 June 2017, the Group had unaudited cash and cash equivalents of approximately HK\$328.1 million, of which, approximately RMB49.6 million (equivalent to approximately HK\$57.3 million) is tied up in the PRC as investment capital which is not practical to transfer back to Hong Kong. Of the balance of HK\$270.8 million, (1) approximately HK\$24.4 million has been earmarked for the acquisition of the Matheson Remaining Unit; and (2) a total of approximately HK\$167.2 million raised from the Company's previous fund raising activities has been earmarked for the construction cost of the Project Inverness; (3) HK\$54.4 million is earmarked for the acquisition of FW Remaining Units; and (4) the remaining balance of HK\$24.8 million shall be applied for the working capital of the Group.

Assuming all the Placing Shares are successfully placed by the Placing Agent, the gross proceeds from the Placing will be approximately HK\$26,000,000. The net proceeds, after deducting the placing commission and other related expenses, will be approximately HK\$25,700,000 and will be applied for the acquisition of the Matheson Remaining Unit of Matheson Building. The Directors estimate that the acquisition of the Matheson Remaining Unit will require financial resources of approximately HK\$180,590,000 at current prices. The balance of the acquisition cost shall be funded by bank facilities and/or equity issuances.

Matheson Building comprises 6 units and the Company via its wholly-owned subsidiary is the owner of the 5 units of the Matheson Building which has approximately of 83.3% of the undivided shares of the Matheson Building. The Company has, pursuant to section 3(1) of the Land (Compulsory Sale for Redevelopment) Ordinance (Cap. 545), filed an application to the Lands Tribunal for an order to sell all the undivided shares of the Matheson Building for the purposes of redevelopment, with a view to acquiring the Matheson Remaining Unit in December 2015. A court order was received in January 2017 on the trial for 8 days on this compulsory sale and redevelopment of Matheson Building which shall be held in early July 2017.

The Directors are of the view that the Placing is fair and reasonable and in the interests of Company and the Shareholders.

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

For illustration purpose, the shareholding structure of the Company immediately before and after the completion of the Placing is set out below:

	As at the date of this announcement		Immediately after completion of the Placing (assuming no conversion of all convertible notes and share options) (Note 2)		Immediately after completion of the Placing (assuming that the conversion rights attaching to all convertible notes and share options are exercised in full) (Note 2)	
	Number of Shares	% (Note 3)	Number of Shares	% (Note 3)	Number of Shares	% (Note 3)
Substantial Shareholders						
Landmark Profits	93,549,498	4.89	93,549,498	4.18	93,549,498	3.13
Goodco						
- Shares	363,781,194	19.03	363,781,194	16.26	363,781,194	12.17
- underlying Shares of						
(i) 2014 CB (note 4)	880,281	0.00	880,281	0.00	880,281	0.03
(ii) 2017CB (note 5)	100,000,000	0.00	100,000,000	0.00	100,000,000	3.35
Sub-total	457,330,692	23.92	457,330,692	20.44	558,210,973	18.68
Directors' and deemed interests in underlying Shares						
- share options	56,500,000	0.00	56,500,000	0.00	56,500,000	1.89
Sub-total	457,330,692	23.92	457,330,692	20.44	614,710,973	20.57
Noteholder						
- underlying Shares of 2015 CB (note 6)	537,500,000	0.00	537,500,000	0.00	537,500,000	17.99
Balance of share options	56,500,000	0.00	56,500,000	0.00	56,500,000	1.89
Public						
Placees (Note 1)	0	0.00	325,000,000	14.53	325,000,000	10.88
Other public shareholders	1,454,501,367	76.08	1,454,501,367	65.03	1,454,501,367	48.67
Total	1,911,832,059	100.00	2,236,832,059	99.99	2,988,212,340	100.00

Notes:

1. The Placing Shares will be placed by the Placing Agent to currently expected not less than six Placees who are Independent Third Parties. Upon completion of the Placing, it is expected that none of the Placees will become a substantial shareholder of the Company. Accordingly, the shareholding held by the Placees is regarded as held by the public.
2. This assumes the Placing Shares are fully placed.
3. The percentages are subject to rounding difference, if any.
4. Pursuant to the terms of the 2014CB, Goodco may convert at any time within the five-year period commencing from 27 March 2014.
5. Pursuant to the terms of the 2017CB, Goodco Development Limited may convert at any time within the 5-year period commencing from 11 May 2017.
6. Pursuant to the revised terms of the 2015CB, Madian Star Limited may convert at any time within the 7-year period commencing from 12 June 2015.

FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST 12 MONTHS

Date of announcement	Event	Net proceeds (approximate)	Intended use of net proceeds	Actual use of net proceeds (approximate)
13 July 2016	Issue of convertible note with an aggregate principal amount of HK\$50,000,000 which may be converted into Shares at the conversion price of HK\$0.225 per Share (subject to adjustment)	HK\$50 million	acquisition and investment opportunities; and for general working capital	Fully applied for: (a) HK\$3.4 million for payment of operating expenses (b) HK\$10.0 million for loan financing business (c) HK\$36.6 million for acquisition of properties
9 September 2016	Placing of 223,000 new Shares under general mandate	HK\$39.6 million	acquisition and investment opportunities; and for general working capital	Fully applied for: (a) HK\$1.0 million for money lending (b) HK\$1.5 million for payment of operating expenses (c) HK\$7.0 million for acquisition of subsidiary (d) HK\$30.1 million for acquisition units of FW Building
3 January 2017	Placing of 350,000,000 Shares under specific mandate	HK\$55 million	acquisition of FW Remaining Units	(a) HK\$0.6 million utilised as intended (b) HK\$54.4 million not yet utilised and to be applied as intended
1 March 2017	Issue of convertible note with an aggregate principal amount of HK\$16,000,000 which may be converted into Shares at the conversion price of HK\$0.16 per share	HK\$15.5 million	working capital	Fully applied for: (a) HK\$10.5 million for loan financing business (b) HK\$3.9 million for payment of operating expenses (c) HK\$1.1 million for repayment of bank loan and interests

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

INFORMATION ON THE GROUP

The Group is principally engaged in property investment, property development, securities investment and loan financing business.

DEFINITIONS

In this announcement, unless otherwise defined, terms used herein shall have the following meanings:

“2014 CB”	the 2% per annum coupon rate convertible note issued by The Company on 27 March 2014 in the aggregate principal amount of HK\$100,000,000 conferring rights to convert Shares on the basis of the then prevailing conversion price of HK\$22.72 per Share, of which the total outstanding amount is HK\$20,000,000
“2015 CB”	the adjusted 3% per annum coupon rate convertible note issued by the Company on 11 May 2017 in the aggregate principal amount of HK\$86,000,000 conferring rights to convert Shares on the basis of the then prevailing adjusted conversion price of HK\$0.16 per Share, no conversion rights has been exercised yet
“2017 CB”	the 3% per annum coupon rate convertible note issued by The Company on 11 May 2017 in the aggregate principal amount of HK\$16,000,000 conferring rights to convert Shares on the basis of the prevailing conversion price of HK\$0.16 per Share, no conversion rights has been exercised yet
“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
“Directors”	the directors of the Company
“FW Building”	a building known as Fung Wah Factorial Building which is situated at No. 646, 648 and 648A Castle Peak Road, Kowloon, Hong Kong with a total of 32 units
“FW Remaining Units”	6 units of FW Building which are (1) units A1, C1 and D of ground floor; (2) unit A of 1st floor (3) unit D of 2 nd floor; and (4) unit A of 5th floor
“Goodco”	Goodco Development Limited, is a wholly-owned subsidiary of Easyknit International Holdings Limited

“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Independent Third Parties”	parties which are not connected persons of the Company and are independent of the Company and its connected person
“Inverness Road Project”	the residential project of Nos. 14, 16, 18 and 20 Inverness Road, Kowloon Tong, Kowloon, Hong Kong with a total registered site area of 17,637 square feet
“Landmark Profits”	Landmark Profits Limited, is a wholly-owned subsidiary of Easyknit International Holdings Limited
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	21 July 2017 or such later date to be agreed between the Company and the Placing Agent in writing
“Matheson Remaining Unit”	ground floor of No. 11 Matheson Street, Causeway Bay, Hong Kong
“Placee(s)”	independent professional, institutional or individual investors to be procured by the Placing Agent on a best effort basis
“Placing”	the placing of the Placing Shares pursuant to the Placing Agreement
“Placing Agent”	Get Nice Securities Limited, a licensed corporation to carry out type 1 (dealing in securities), type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Placing Agreement”	the placing agreement dated 3 July 2017 entered into between the Company and the Placing Agent in relation to the Placing
“Placing Price”	HK\$0.08 per Placing Share
“Placing Share(s)”	a maximum of 325,000,000 new Shares to be placed by the Placing Agent pursuant to the Placing Agreement
“PRC”	People’s Republic of China
“Project Inverness”	a residential development project at No.14 to 20 Inverness Road, Kowloon Tong, Kowloon, Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholders”	holders of the Shares

“Shares” ordinary share of the par value HK\$0.01 each in the share capital of the Company

“Stock Exchange” The Stock Exchange of Hong Kong Limited

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

Hong Kong, 3 July 2017

As at the date hereof, the board of directors of the Company comprises Mr. Kwong Jimmy Cheung Tim and Ms. Lui Yuk Chu as executive directors; Mr. Kan Ka Hon, Mr. Lau Sin Ming, Mr. Foo Tak Ching and Mr. Wu Koon Yin Welly as independent non-executive directors.