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## **EMINENCE ENTERPRISE LIMITED**

**高山企業有限公司**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 616)**

### **POSSIBLE MAJOR TRANSACTION**

#### **- MANDATE FOR THE DISPOSAL OF SHARES OF CHINA SCE GROUP HOLDINGS LIMITED**

The Company, through its wholly-owned subsidiary, owns a total of 6,800,000 CSCE Shares, being its entire interest in CSCE. The Company plans to dispose all or in part(s) of the 6,800,000 CSCE Shares in a prudent manner in the open market during the Mandate Period in order to realize profits from the investment.

#### **IMPLICATIONS UNDER THE LISTING RULES**

If the Group proceeds with the Disposal and on the assumption that all the 6,800,000 CSCE Shares held by the Group are disposed of within the Mandate Period at a price of HK\$1.58 per CSCE Share, one or more applicable percentage ratios of the Disposal is likely to exceed 25% but be less than 75%, the Disposal may constitute a major transaction under Rule 14.06(3) of the Listing Rules of the Company and therefore be subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

The Board will seek the approval of the Shareholders at the SGM for the Disposal and the Mandate for the Disposal, granting prior authorization to the Directors to dispose all or in part(s) of the 6,800,000 CSCE Shares held by the Group during the Mandate Period.

A circular containing, among other things, (i) further details of the Disposal and the Mandate for the Disposal, and (ii) the notice of the SGM to approve the Disposal and the Mandate for Disposal and the transactions contemplated thereunder is expected to be despatched to the Shareholders on or before 20 August 2019.

#### **WARNING**

**While the Company currently intends to proceed with the Disposal in full, it should be emphasized there is no assurance that the Company will proceed with all or any part of the Disposal.**

**The Shareholders and other investors are therefore advised to exercise extreme caution when dealing in the Shares.**

## **BACKGROUND**

As at the date of this announcement, the Company, through its wholly-owned subsidiary, owns a total of 6,800,000 CSCE Shares, representing approximately 0.1648% of the total issued share capital of CSCE and being its entire interest in CSCE. The CSCE Shares are listed and freely tradable on the Stock Exchange. The Board plans to dispose all or in part(s) of the 6,800,000 CSCE Shares held by the Group in a prudent manner in the open market during the Mandate Period in order to realize profits from the investment.

## **THE DISPOSAL**

### ***Manner of the Disposal***

The Group intends to proceed with the Disposal in the following manner:

1. dispose all or in part(s) of the 6,800,000 CSCE Shares held by the Group in the open market through the trading system of the Stock Exchange;
2. the selling price of the 6,800,000 CSCE Shares will be the market price of the CSCE Shares at the relevant time, where the market price prevails to the price allowed under the trading system of the Stock Exchange, and the average selling price shall not be less than HK\$1.58 per CSCE Share (excluding transaction costs);
3. the Mandate for the Disposal will be valid for a 12-month period from the date of passing of the relevant resolution by the Shareholders at the SGM; and
4. the Disposal shall comply with all relevant applicable laws and regulations, including any applicable trading regulations in Hong Kong.

In deciding when and how to exercise the Mandate for the Disposal, the Directors will also consider the performance of the CSCE Shares and its prevailing market price so as to maximize the returns to the Group.

The Company will publish an announcement every month during the Mandate Period to disclose the details of the Disposal (if any) including but not limited to the aggregate number of CSCE Shares disposed of, the net proceeds arising therefrom. Details of the Disposal (if any) will also be disclosed in the annual report and interim report of the Company.

### ***Basis for the determination of the minimum average selling price for the CSCE Shares***

The total acquisition cost for the 6,800,000 CSCE Shares is approximately HK\$10,734,000 (excluding transaction costs) and the average acquisition cost per CSCE Share is approximately HK\$1.58. Therefore, the minimum average selling price for the Company will be HK\$1.58 per CSCE Share, which is the same as the average acquisition cost per CSCE Share.

The minimum average selling price of HK\$1.58 per CSCE Share represents:

- a discount of approximately 39.30% to the closing price of HK\$4.020 per CSCE Share as quoted

on the Stock Exchange on the Last Trading Day;

- a discount of approximately 39.58% to the average closing price of approximately HK\$3.992 per CSCE Share as quoted on the Stock Exchange for the last 5 trading days up to and including the Last Trading Day;
- a discount of approximately 42.80% to the average closing price of approximately HK\$3.692 per CSCE Share as quoted on the Stock Exchange for the last 30 trading days up to and including the Last Trading Day;
- a discount of approximately 44.31% to the average closing price of approximately HK\$3.566 per CSCE Share as quoted on the Stock Exchange during the 6-month period up to and including the Last Trading Day; and
- a discount of approximately 48.08% to the average closing price of approximately HK\$3.286 per CSCE Share as quoted on the Stock Exchange during the 12-month period up to and including the Last Trading Day.

In order to maximize efficiency and flexibility for the Directors to act and accommodate the fluctuations under any dynamic market conditions and economic situation during the Mandate Period, the Board considers that the deviation of the minimum average selling price from the trading prices of the CSCE Shares (as illustrated above) is of strategic advantage to the Company and is in the interests of the Company and the Shareholders as a whole.

### ***Financial Effect of the Disposal***

As disclosed above, the total acquisition cost for the 6,800,000 CSCE Shares is approximately HK\$10,734,000. Assuming that the average selling price of its 6,800,000 CSCE Shares is at its average acquisition cost (i.e. HK\$1.58 per CSCE Share), the estimated sale proceeds (excluding transaction costs) will be HK\$10,744,000. In such case, the Company expects a gain of HK\$10,000 for the Disposal. The Board intends to apply the sale proceeds from the Disposal for general working capital or in funding for alternative investments.

Shareholders should note that the actual amounts of proceeds, accounting gain or loss and the effects on the net assets and earnings of the Group will depend on the actual selling prices of the 6,800,000 CSCE Shares held by the Group.

### **INFORMATION ON CSCE**

According the latest annual report of CSCE, CSCE is a limited company incorporated in the Cayman Islands and the shares of which are listed and traded on the main board of the Stock Exchange (stock code: 1966). CSCE is principally engaged in property development, commercial management, property management and rental apartments business in the PRC.

The following information is extracted from the latest annual report of CSCE:

	<b>For the year ended</b>	
	<b>31 December</b>	
	<b>2018</b>	<b>2017</b>
	<i>RMB '000</i>	<i>RMB '000</i>
Revenue	17,782,886	16,105,245
Profit before taxation	6,052,456	5,460,642
Net profit after taxation		
attributable to shareholders of CSCE	3,676,823	3,448,551
Total assets	101,490,775	66,175,008

## **REASONS FOR AND BENEFITS OF THE DISPOSAL**

The Disposal represents a good opportunity to realize profits from the investment, generate revenue for the Group and depending on the sale prices may realize profits from the investment. Looking forward, the Board intends to apply the net proceeds from the Disposal for general working capital or in funding for alternative investments.

Given the volatility of the stock market, disposing of shares at the best price at any given time requires prompt action at the right time and it is impracticable to seek prior Shareholders' approval for each disposal of some or all of the Group's CSCE Shares which, when aggregated with the Group's disposals of CSCE Shares in the previous 12-month period, may constitute a major disposal by the Company. To allow flexibility for disposals when appropriate the Company proposes to seek the Mandate for the Disposal which will provide flexibility to the Directors to dispose all or in part(s) of the Group's 6,800,000 CSCE Shares at the times and prices they consider appropriate.

Having considered the above, the Board is in the view that the Disposal and the Mandate for the Disposal are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **IMPLICATIONS UNDER THE LISTING RULES**

If the Group proceeds with the Disposal and on the assumption that all the 6,800,000 CSCE Shares held by the Group are disposed of within the Mandate Period at a price of HK\$1.58 per CSCE Share, one or more applicable percentage ratios of the Disposal is likely to exceed 25% but be less than 75%, the Disposal may constitute a major transaction under Rule 14.06(3) of the Listing Rules of the Company and therefore be subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

The Board will seek the approval of the Shareholders at the SGM for the Disposal and the Mandate for the Disposal, granting prior authorization to the Directors to dispose all or in part(s) of the 6,800,000 CSCE Shares held by the Group during the Mandate Period.

Since the Disposal will be in the open market in full or in part(s) and the Mandate for the Disposal will be subject to, inter alia, Shareholders' approval, at the date of this announcement or the circular, the Company is unable to confirm, identify or disclose the identity of the counterparty nor its ultimate benefit owner or provide the date of transaction(s). With regards to the aggregate value of the



“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)
“CSCE”	China SCE Group Holdings Limited, a limited company incorporated in the Cayman Islands and the shares of which the shares of which are listed on the main board of Stock Exchange (stock code: 1966)
“CSCE Shares”	shares of CSCE
“Director(s)”	director(s) of the Company
“Disposal”	the disposal of all or in part(s) of the 6,800,000 CSCE Shares currently held by the Group as at the date of this announcement
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Last Trading Day”	Thursday, 11 July 2019, being the last date on which the Stock Exchange was open for trading prior to the publishing of this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mandate for the Disposal”	a general and conditional mandate to be granted by the Shareholders to the Directors to dispose all or in part(s) of the 6,800,000 CSCE Shares held by the Group during the Mandate Period
“Mandate Period”	the Mandate for the Disposal will be valid for a 12-month period from the date of passing of the relevant resolution(s) by the Shareholders at the SGM
“percentage ratios”	as defined in the Listing Rules
“PRC”	the People’s Republic of China
“SGM”	special general meeting of the Company to be convened and held for the purpose of considering and, if thought fit, approving the Disposal and the Mandate for the Disposal
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Shares

“Stock Exchange”

The Stock Exchange of Hong Kong Limited

“%”

per cent

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

Hong Kong, 12 July 2019

*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.*