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EMINENCE ENTERPRISE LIMITED

高山企業有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 616)

DISCLOSEABLE TRANSACTION IN RELATION TO THE ACQUISITION OF AMERICAN DEPOSITARY SHARES IN THE IPO OF RLX TECHNOLOGY INC.

THE ACQUISITION

On 22 January 2021, the Company acquired 394,275 RLX ADS in the IPO at the price of US\$12.00 per Acquired RLX ADS (equivalent to approximately HK\$93.00) (exclusive of transaction costs) at a total consideration of approximately US\$4,731,300 (equivalent to approximately HK\$36,667,575) (exclusive of transaction costs).

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Acquisition exceeds 5% but is less than 25%, the Acquisition constitutes a discloseable transaction of the Company and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

THE ACQUISITION

The Board is pleased to announce that the Company acquired 394,275 RLX ADS on 22 January 2021 issued by RLX at an offer price of US\$12.00 per Acquired RLX ADS (equivalent to approximately HK\$93.00) (exclusive of transaction costs) at a total consideration of approximately US\$4,731,300 (equivalent to approximately HK\$36,667,575) (exclusive of transaction costs), which was the price of the RLX ADS in the IPO. The aggregate consideration was paid in cash from internal resources of the Group.

As at the date of the Acquisition, the Acquired RLX ADS represent approximately 0.025% of the total issued shares of RLX.

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

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Group's principal businesses are property development, property investment, securities investment and loan financing business.

Having reviewed the Prospectus regarding RLX's performance including information on the business model and business prospects, the Company considers that the Acquisition is in alignment with one of the Group's principal businesses on securities investment, an attractive investment and can generate potential investment returns for the Group.

The Board is of the view that the Acquisition is fair and reasonable, on normal commercial terms and in the interests of the Company and its shareholders as a whole.

INFORMATION ON RLX

According to publicly available information, RLX (stock code: RLX.NYSE) is a limited liability company incorporated under the Cayman Islands. RLX's shares are listed on the New York Stock Exchange under the trading symbol "RLX". RLX was founded by Wang Ying (Kate), Jiang Long (David) and Wen Yilong in 2018 and is headquartered in China.

According to the Prospectus, RLX is the No.1 branded e-vapor company in China, capturing 48.0% and 62.6% of the market share of closed-system e-vapor products in terms of retail sales value in 2019 and the nine months ended 30 September 2020, respectively, according to a report from China Insights Consultancy, an independent research firm. RLX deeply engages in the key activities in the e-vapor industry, from scientific research, technology and product development, supply chain management, to offline distribution. RLX leverages its strong in-house technology and product development capabilities and in-depth insights into adult smokers' needs to develop superior e-vapor products. Since its inception, RLX has launched five series of closed-system rechargeable e-vapor products with various value-added features. As of 30 September 2020, RLX partnered with 110 authorized distributors to supply its products to over 5,000 RLX branded partner stores and over 100,000 other retail outlets nationwide, covering over 250 cities in China.

The following information is extracted from public documents of RLX:

	For the nine months ended 30 September 2020	For the year ended 31 December 2019	From 2 January 2018 (date of inception) to 31 December 2018
	<i>RMB'000 (unaudited)</i>	<i>RMB'000 (audited)</i>	<i>RMB'000 (audited)</i>
Total assets	3,980,873	1,444,105	105,737
Net revenues	2,201,261	1,549,354	132,613
Income before income tax	228,551	73,672	2,098
Net income / (loss)	108,644	47,748	(287)

As extracted from the unaudited interim condensed consolidated balance sheets of RLX, the net asset value of RLX was approximately RMB488,981,000 as of 30 September 2020.

INFORMATION ON THE COMPANY AND THE GROUP

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, securities investment and loan financing business.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Acquisition exceeds 5% but is less than 25%, the Acquisition constitutes a discloseable transaction of the Company and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

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

“Acquired RLX ADS”	a total of 394,275 RLX ADS acquired by the Company on 22 January 2021 through the IPO
“Acquisition”	the acquisition by the Company of a total of 394,275 RLX ADS on 22 January 2021 at a price of US\$12.00 per Acquired RLX ADS (equivalent to approximately HK\$93.00) (exclusive of transaction costs) at a total price of approximately US\$4,731,300 (equivalent to approximately HK\$36,667,575) (exclusive of transaction costs)
“Board”	the board of Directors
“China” or “PRC”	the People’s Republic of China
“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)
“Directors”	the directors of the Company
“discloseable transaction”	the meaning defined in the Listing Rules
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	person(s) who, to the best knowledge and belief of the Directors having made all reasonable enquiries, is/are third party(ies) independent of and not connected with the Company and its connected persons (as defined in the Listing Rules)

“IPO”	an initial public offering by RLX of 116,500,000 RLX ADS to be listed on the New York Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Prospectus”	the prospectus of RLX dated 21 January 2021
“RLX”	RLX Technology Inc., a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the New York Stock Exchange under the symbol “RLX”
“RLX ADS”	American depository share(s), each representing the right to receive and exercise the beneficial ownership interests in one class A ordinary share(s) of par value US\$0.00001 in the share capital of RLX
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	per cent.

In this announcement, amounts denominated in US\$ have been translated into HK\$ at the rate of US\$1.00 = HK\$7.75 for illustration purpose only. This should not be construed as a representation that the amounts in question have been, could have been or could be converted at any particular rate or at all.

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

Hong Kong, 26 January 2021

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.