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EMINENCE ENTERPRISE LIMITED

高山企業有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 616)

MAJOR TRANSACTION ACQUISITION OF A PROPERTY

Treasure Arts, an indirect wholly-owned subsidiary of the Company, as the purchaser, entered into a SP Agreement on 20 November 2017 in relation to the Acquisition with the Sellers, pursuant to which amongst other things, Treasure Arts conditionally agreed to acquire, and the Seller agreed to sell the Property of the FW Building at a consideration of HK\$53,000,000.

The Acquisition constitutes a major transaction under Rule 14.06(3) of the Listing Rules as the certain applicable percentage ratios of the Acquisitions exceed 25% but are less than 100%. In addition, since the Acquisition when aggregated with the acquisition of the FW Properties (details of which were set out in the Company's announcement dated and 16 August 2017) still remains as a major transaction under the Listing Rules, therefore the Acquisition is subject to the reporting, announcement and shareholders' approval requirements under the Listing Rules.

The SGM will be convened and held to consider and, if thought fit, approve the Acquisition and the transactions contemplated thereunder. A circular containing, among other things, (i) further details of the Acquisition; (ii) financial information on the Group; and (iii) independent property valuation report of the Property, together with a notice convening the SGM is expected to be despatched to the Shareholders on or before 14 December 2017.

PURCHASE OF THE PROPERTY

Treasure Arts, an indirect wholly-owned subsidiary of the Company, as the purchaser, entered into a SP Agreement on 20 November 2017 in relation to the Acquisition with the Sellers, pursuant to which amongst other things, Treasure Arts conditionally agreed to acquire, and the Seller agreed to sell the Property of the FW Building at a consideration of HK\$53,000,000.

Principal terms of the SP Agreement

Date

20 November 2017

Parties

- (1) Treasure Arts, as the purchaser
- (2) NG Pui Wah, CHAN Kai Wah and CHAN Choi Fung
(collectively known as the “**Sellers**”)

The Property is registered in the name of Sellers. To the best of the Directors’ knowledge, information and belief, and after having made all reasonable enquiries, each of the Sellers is an Independent Third Party.

Assets

The Group has agreed to acquire the Property in “as-is” basis and is sold to Treasure Arts with 2 tenancies upon completion.

The Property is divided into 3 portions, Portion-1 and Portion-2 are leased with tenancies and the Portion-3 is self-occupied by the Sellers. In addition, Chan Kai Wah and Chan Choi Fong (“**Licensee**”) shall have the rights after the completion date to take up a licence to occupy Portion-3 for a monthly license fee of HK\$30,000 (inclusive of rates, Government rent and management fees and payment of HK\$116,790, payable every 3 months, being temporary waiver for change of land user) until 30 June 2018 and the Licensee further has the option to extend the licence period to 31 December 2018.

The Property is currently on lease for HK\$61,100 per month (inclusive of government rent and management fees, exclusive of other outgoings), amount of deposit held under the tenancy agreements was HK\$122,200 and currently used for commercial purpose.

Details of 2 tenancy agreements:

Date of the tenancy agreement	Tenancy Period	Monthly Rental HK\$	Deposit HK\$
30 December 2016	30/12/2016 – 31/12/2018	39,800	79,600
31 December 2016	30/12/2016 – 31/12/2018	21,300	42,600

Consideration

The consideration for the Property is HK\$53,000,000 shall be paid in cash as follows:

1. an initial deposit in the sum of HK\$5,300,000 has been paid to the Sellers upon the signing of the SP Agreement; and
2. the balance of HK\$47,700,000 shall be paid to the Sellers upon completion, which is scheduled to take place on or before 9 February 2018.

Condition Precedent

Completion of the SP Agreement is conditional upon the fulfillment of the following conditions on or prior to the completion date:

1. the SP Agreement and the transactions contemplated herein duly approved by the shareholders' meeting of the Company in accordance with the Listing Rules; and
2. the warranties provided by the respective Sellers under the Agreements remain true and accurate in all respects.

Source of Funding

The consideration of the Property was determined after arm's length negotiations between Treasure Arts and the Sellers. When determining the consideration, the management of the Company has taken into account of the Group is the owner of 28 units (including a AP common part) of the FW Building, the location of the Property, market price of the property of similar sizes and usage, the potential of redevelopment and as well as the preliminary value of the Property as indicated by an independent valuer. The management of the Company believes that the above provides a reasonable basis in its assessment value of the Property.

The Group will fund the Acquisition from its internal resources and/or bank facilities.

REASONS FOR AND BENEFITS OF THE ACQUISITION

As at the date of this announcement, the Group via its subsidiaries, owned FW Properties i.e. 28 units (including a AP common part) of the FW Building which represents 88.33% of the undivided shares of FW Building. The Acquisition will enable the Group to expand the property development segment.

Upon completion of the Acquisition scheduled in 9 February 2018, the Group shall be the owner of 29 units of the FW Building which represents 90.83% of the undivided shares of the FW Building.

The Acquisition shall further pave way for the Group to redevelop the FW Building site into a high rise composite commercial building and the Company may follow the legal procedures in redevelopment according to the Ordinance which summarizes in the paragraph on "PROCEDURES IN REDEVELOPMENT UNDER THE ORDINANCE" of the announcement.

The Directors are of the view that the terms of the Agreement including the consideration are on normal commercial terms, and are fair and reasonable and in the interest of the Shareholders as a whole and the Directors are of the view that for the potential in future development of the site into a high rise composite commercial building. The Group intends to acquire the Remaining Units and will make further announcement(s) to inform the Shareholders when any purchase of the Remaining Units are transacted.

As at the date of the announcement, the Company has made known to the owners of the Remaining Units that the Company has intention to purchase the Remaining Units. The Company shall make its best effort to conclude the sale and purchase with the owners of the Remaining Units at a price with reference to comparables and the indication of the valuation provided by an independent valuer from time to time. The Company shall make application to the Lands Tribunal for an order to sell the undivided shares of the FW Building site for redevelopment purpose at the time when any of the owners are asking the

purchase price which is unreasonable and much higher than the comparables and the indication of the valuation. As at the date of this announcement, the Company does not have a concrete timing to submit the application under the Ordinance as it depends on, but without limitation to the success level in the ongoing negotiations with the owners of the Remaining Units and the sentiment in the property market for redevelopment.

PROCEDURES ON THE REDEVELOPMENT UNDER THE ORDINANCE

The Ordinance provides, in summary, that the person or persons who own not less than 80% of the undivided shares in a lot (“**Majority Owner**”) may make an application to the Lands Tribunal, accompanied by a valuation report (prepared not earlier than 3 months before the date of the application), for an order to sell the undivided shares in the lot for redevelopment purposes (“**Sale Order**”). The Lands Tribunal determines the application by hearing the objection of the minority owners (if any) in respect of the value of any property assessed, or in the case where the minority owners cannot be found, requiring the Majority Owner to satisfy the Lands Tribunal that the value of the minority owner’s property is not less than fair and reasonable. The Lands Tribunal must also be satisfied, among other things, that the development of the lot is justified and the Majority Owner has taken reasonable steps to acquire all the undivided shares in the lot including negotiating for the purchase of such of those shares as are owned by minority owners on terms that are fair and reasonable, before it makes the Sale Order.

Under section 5(1) of the Ordinance, where a Sale Order is granted, the lot shall be sold by (a) public auction, or (b) by other means agreed in writing by each minority owner and Majority Owner of the lot and approved by the Lands Tribunal. Section 5(5) of the Redevelopment Ordinance requires that if the lot is to be sold by auction, it shall be sold to the highest bidder at the auction. It is stated in section 5(5)(b) of the Ordinance that nothing in the Ordinance shall operate to prevent the Majority Owner or the minority owner from being the purchaser of the lot.

Where the Majority Owner is the purchaser of the lot, under section 6 of the Ordinance, it is not required to pay the full purchase price for the lot to the trustees, but to pay not less than the proportion of the amount that the trustees calculate is necessary for it to purchase all the undivided shares in the lot not already owned by it.

INFORMATION ON THE GROUP AND TREASURE ARTS

The Group is principally engaged in property investment, property development, securities investment and loan financing business. The Group currently holds various commercial, industrial and residential properties in Hong Kong, Singapore and the PRC.

Treasure Arts is, a company incorporated in the British Virgin Islands, an indirect wholly-owned subsidiary of the Company.

LISTING RULES IMPLICATIONS

The Acquisition constitutes a major transaction under Rule 14.06(3) of the Listing Rules as the certain applicable percentage ratios of the Acquisitions exceed 25% but are less than 100%. In addition, since the Acquisition when aggregated with the acquisition of the FW Properties (details of which were set out in the Company’s announcement dated 16 August 2017) still remains as a major transaction under the Listing Rules, therefore the Acquisition is subject to the reporting, announcement and shareholders’ approval requirements under the Listing Rule.

GENERAL

The SGM will be convened and held to consider and, if thought fit, approve the Acquisitions and the transactions contemplated thereunder. A circular containing, among other things, (i) further details of the Acquisition; (ii) financial information on the Group; and (iii) independent property valuation report of the Property, together with a notice convening the SGM is expected to be despatched to the Shareholders on or before 14 December 2017.

DEFINITIONS

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

“Acquisition”	the acquisition of the Property at a consideration of HK\$53,000,000
“AP common part”	adverse possession of a space underneath the common staircase on ground floor of the FW Building under the Judgement DCCJ 1459 of 2014
“Board”	the board of Directors
“Company”	Eminence Enterprise Limited (高山企業有限公司), a company incorporated in Bermuda with limited liability, the shares of which are listed on the main board of the Stock Exchange
“Director(s)”	director(s) of the Company
“FW Properties”	a total of 28 units of the FW Building, collectively known as (1) units A2, B1, B2, C2 and D of ground floor; (2) units A, B, C and D of 1st floor; (3) units A, B and C of 2nd floor; (4) units A, B, C and D of 3rd floor; (5) units A, B, C and D of 4th floor; (6) units B, C and D of 5th floor; (7) unit A and roof A, Unit B and roof B, Unit C and roof C, and Unit D and roof D of 6th floor; and (8) AP common part
“FW Building”	the building is known as Fung Wah Factorial Building which is situated at No. 646, 648 & 648A Castle Peak Road, Kowloon, Hong Kong with a total of 32 units (including an AP common part)
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Independent Third Party”	a third party independent of the Company and of connected persons (as defined in the Listing Rules) of the Company
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“major transaction”	as defined in the Listing Rules
“Ordinance”	the Land (Compulsory Sale for Redevelopment) Ordinance, Cap 545, Laws of Hong Kong
“percentage ratios”	the meaning ascribed thereto in Chapter 14 of the Listing Rules
“PRC”	the People’s Republic of China
“Property”	workshop space A1, ground floor of the FW Building
“SP Agreement”	a sale and purchase agreement dated 20 November 2017 relating to the acquisition of the Property at a consideration of HK\$53,000,000
“Remaining Units”	3 units of the FW Building which are: (1) unit C1 of ground floor (2) unit D of 2nd floor; and (2) unit A of 5th floor
“Seller(s)”	Ng Pui Wah, Chan Kai Wah and Chan Choi Fung
“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
“Treasure Arts”	Treasure Arts International Group Limited, a company incorporated in British Virgin Islands and is an indirect wholly-owned subsidiary of Company, is the purchaser of the SP Agreement

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

Hong Kong, 23 November 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.