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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in doubt** as to any aspect of this circular or as to the action to be taken, you should consult a licensed securities dealer, registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in Eminence Enterprise Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the licensed securities dealer, registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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 PROPERTIES  
AND  
NOTICE OF SPECIAL GENERAL MEETING**

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Capitalised terms used in this cover page shall have the same meanings as those defined in this circular.

A letter from the Board is set out on pages 5 to 13 of this circular.

A notice convening the SGM to be held at Block A, 7th Floor, Hong Kong Spinners Building, Phase 6, 481-483 Castle Peak Road, Cheung Sha Wan, Kowloon, Hong Kong on Monday, 5 June 2017 at 9:00 a.m. is set out on pages N-1 to N-2 of this circular. A form of proxy for use at the SGM is enclosed. Whether or not you are able to attend the SGM, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return the same to the Company's branch share registrar and transfer office in Hong Kong, Tricor Secretaries Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as practicable but in any event not later than 48 hours before the time appointed for holding of the SGM. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof (as the case may be) should you so wish and in such case, the form of proxy shall be deemed to be revoked.

12 May 2017

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## DEFINITIONS

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*In this circular, unless the contents otherwise requires, the following expressions have the meanings as set out below.*

“2014CB”	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 prevailing conversion price of HK\$22.72 per Share, of which the total outstanding amount is HK\$20,000,000
“2015CB”	the 2% per annum coupon rate convertible note issued by the Company on 12 June 2015 in the aggregate principal amount of HK\$86,000,000 conferring rights to convert Shares on the basis of the prevailing conversion price of HK\$0.33 per Share, no conversion rights has been exercised yet
“2017CB”	the 3% per annum coupon rate convertible note to be issued by the Company in the aggregate principal amount of HK\$16,000,000 conferring rights to convert Shares on the basis of the conversion price of HK\$0.16 per Share
“Acquisition”	the proposed acquisition of the Properties by Purchaser subject to the terms and conditions of the Provisional Agreements
“associates”	the meaning ascribed thereto in the Listing Rules
“Board”	the board of Directors
“Building”	the building known as Wing Cheong Factory Building which is situated at No. 121 King Lam Street, Kowloon, Hong Kong with a total of 24 units and 2 carports
“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
“Completion Date”	the date fixed for completion of the Acquisition, which is expected to be on 28 June 2017 or such other dates the parties may agree in writing

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## DEFINITIONS

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“Consideration”	the aggregate consideration for the Acquisition, being HK\$226,052,500
“Director(s)”	director(s) of the Company
“FW Remaining Units”	6 units of Fung Wah Factorial Building which is situated at No. 646, 648 and 648A Castle Peak Road, Kowloon, Hong Kong, which are: (1) units A1, C1 and D of ground floor; (2) units A of 1st floor; (3) unit D of 2nd floor; and (4) unit A of 5th floor.
“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
“Latest Practicable Date”	5 May 2017, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained therein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Matheson Remaining Unit”	ground floor of No. 11 Matheson Street, Causeway Bay, Hong Kong
“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

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## DEFINITIONS

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“Project Inverness”	a residential development project at No. 14, 16, 18 and 20 Inverness Road, Kowloon Tong, Kowloon, Hong Kong
“Properties”	18 units of the Building and 2 carports which are: <ol style="list-style-type: none"><li>(1) Flat A, 1/F</li><li>(2) Flat B, 1/F</li><li>(3) Flat A, 2/F</li><li>(4) Flat B, 2/F</li><li>(5) Flat A, 3/F</li><li>(6) Flat B, 3/F</li><li>(7) Flat A, 4/F and flat roof</li><li>(8) Flat B, 4/F and flat roof</li><li>(9) Flat A, 5/F</li><li>(10) Flat B, 5/F</li><li>(11) Flat A, 6/F</li><li>(12) Flat B, 6/F</li><li>(13) Flat A, 7/F</li><li>(14) Flat B, 7/F</li><li>(15) Flat A, 8/F</li><li>(16) Flat B, 8/F</li><li>(17) Flat A, 9/F and roof</li><li>(18) Flat B, 9/F and roof</li><li>(19) Portion A of carpark, ground floor</li><li>(20) Portion B of carpark, ground floor</li></ol>
“Provisional Agreements”	17 provisional agreements dated 28 March 2017 entered into between the Purchaser and the Vendors for the sale and purchase of the Properties, they are PA1, PA2, PA3, PA4, PA5, PA6, PA7, PA8, PA9, PA10, PA11, PA12, PA13, PA14, PA15, PA16 and PA17
“Purchaser” or “Wealth Plan”	Wealth Plan Development Limited, a company incorporated in Hong Kong and is an indirect wholly-owned subsidiary of the Company

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## DEFINITIONS

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“Remaining Units”	6 units of the Building which are: (1) workshop A, ground floor (2) workshop B, ground floor (3) workshop C, ground floor (4) workshop D, ground floor (5) workshop E, ground floor (6) workshop F, ground floor
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)
“SGM”	the special general meeting to be convened and held on Monday, 5 June 2017 at 9:00 a.m. to consider and approve the Provisional Agreements and the transactions contemplated thereunder
“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
“Vendor(s)”	vendors of the Properties: (1) Sunkinds Industrial Limited (2) Tang Kin Ngar (3) Cheung Yau Choi (4) Tse Siu Man (5) Duet Limited (6) Lee Tien Tsin (7) Tse Man Yau, Chan Hut Yin, Tse Pui San and Tse Kwok Yau Stephen (8) Lee Hin Woon and Lau Ah Na (9) Fung Ting (10) Jsotex & Company Limited (11) Ng Yu Tuen and Wong Mariana Yuen Ping (12) Wang Bin (13) Hon Man Wah (14) Pong Yip Hing (15) Leung Patty Yee Kay (16) Leung Chi Hong

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## LETTER FROM THE BOARD

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### EMINENCE ENTERPRISE LIMITED

### 高山企業有限公司

*(incorporated in Bermuda with limited liability)*

**(Stock Code: 616)**

*Executive Directors:*

Mr. Kwong Jimmy Cheung Tim  
*(Chairman and Chief Executive Officer)*  
Ms. Lui Yuk Chu  
*(Deputy Chairman)*

*Registered office:*

Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

*Independent Non-executive Directors:*

Mr. Kan Ka Hon  
Mr. Lau Sin Hing  
Mr. Foo Tak Ching  
Mr. Wu Koon Yin Welly

*Head office and principal place of  
business in Hong Kong:*

Block A, 7th Floor  
Hong Kong Spinners Building, Phase 6  
481-483 Castle Peak Road  
Cheung Sha Wan  
Kowloon  
Hong Kong

12 May 2017

*To the Shareholders*

Dear Sir or Madam,

### MAJOR TRANSACTION ACQUISITION OF PROPERTIES

#### INTRODUCTION

Reference was made to the Company's announcement dated 29 March 2017. The Directors announced that 17 Provisional Agreements were entered into between an indirect wholly-owned subsidiary of the Company as Purchaser, and the Vendors, pursuant to which, the Purchaser agreed to purchase and the Vendors agreed to sell the Properties at an aggregate cash consideration of HK\$226,052,500.

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## LETTER FROM THE BOARD

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### THE PROVISIONAL AGREEMENTS

The Purchaser of all the Provisional Agreements is Wealth Plan and all Provisional Agreements are dated 28 March 2017. Other than the Vendors and the Properties, the Provisional Agreements share the same principal terms. Each of the Provisional Agreements is inter-conditional. Set out below are further details:

	<b>Vendor(s)</b>	<b>Subject Property of the Building</b>
PA1	Sunkinds Industrial Limited	Portion A of carpark, ground floor
PA2	Tang Kin Ngar	Portion B of carpark, ground floor
PA3	Sunkinds Industrial Limited	Flats A and B, 1/F
PA4	Cheung Yau Choi	Flat A, 2/F
PA5	Tse Siu Man	Flat B, 2/F
PA6	Duet Limited	Flat A, 3/F
PA7	Lee Tien Tsin	Flat B, 3/F
PA8	Tse Man Yau, Chan Hut Yin, Tse Pui San and Tse Kwok Yau Stephen	Flats A and B, 4/F and flat roof
PA9	Lee Hin Woon and Lau Ah Na	Flat A, 5/F
PA10	Fung Ting	Flat B, 5/F
PA11	Jstotex & Company Limited	Flats A and B, 6/F
PA12	Ng Yu Tuen and Wong Mariana Yuen Ping	Flat A, 7/F
PA13	Wang Bin	Flat B, 7/F
PA14	Hon Man Wah	Flat A, 8/F
PA15	Pong Yip Hing	Flat B, 8/F
PA16	Leung Patty Yee Kay	Flat A, 9/F and roof
PA17	Leung Chi Hong	Flat B, 9/F and roof

The Company and the Vendors have not entered into any transaction of a similar nature in the past 12 months that need to be aggregated in accordance with Rule 14.22 of the Listing Rules.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Vendors and/or ultimate beneficial owners are Independent Third Parties. Prior to the Provisional Agreements, there were no arrangements between the Company and the Vendors in relation to the Provisional Agreements.

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## LETTER FROM THE BOARD

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### **The Subjects of the Acquisition**

The Properties are units of a building known as Wing Cheong Factory Building which is located in Hong Kong Lai Chi Kok District. The Building is a 10-storey building comprises 18 factory units on the upper floors, 6 workshops on the ground floor; and portions A and B car parking areas. The Properties comprises 18 factory units on the upper floors and portions A and B car parking areas on the ground floor with a total saleable areas of approximately 36,216 square feet.

The Properties shall be sold to the Purchaser on “as-is” basis.

### **Condition Precedent**

Completion of the Acquisition is conditional upon the fulfillment of the following conditions on or prior to the Completion Date:

1. the Provisional Agreements 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 Vendors under the Provisional Agreements remain true and accurate in all respects.

Completion of the Acquisition shall take place on or before 28 June 2017.

### **Consideration**

The Consideration HK\$226,052,500 was determined after arm’s length negotiations between the Purchaser and the Vendors. When determining the Consideration, the management of the Company has taken into account of the following factors including but without limitation to the:

1. 3 types of valuation as mentioned in the valuation report in Appendix IV to the circular:
  - (a) market value in the existing state of the Properties for HK\$160,000,000;
  - (b) site value with vacant possession of the Building’s site for HK\$280,000,000; and
  - (c) site value of the Properties for HK\$243,892,000 (“**APD Valuation**”).

The APD Valuation refers to the calculation of the valuation of the Properties to the whole Building, i.e. the Properties share 38/44th undivided shares for whole of the Building which apportioned the value of HK\$243,892,000;

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## LETTER FROM THE BOARD

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2. the unit prices of the comparables in the same locality which have similar characteristic as the Properties which range from HK\$3,126 per square foot to HK\$6,943 per square foot;
3. the favourable location of the Properties which is at a high traffic location with subway, mass transit railway stations, commercial and industrial offices, shopping malls, retail outlets and different types of restaurant; and
4. the future redevelopment potential to be a high rise composite building.

Pursuant to the valuation report in Appendix IV to the circular, the APD Valuation (i.e. HK\$243,892,000) which is higher than the Consideration HK\$226,052,500 and the average purchase cost of the Properties is approximately HK\$6,240 per square foot which is within the range of the comparables; the Directors have also taken in to account of its location and its APD Valuation, therefore the Directors believe that the consideration of the Acquisition and the transactions contemplated herein are in the interests of the Group and are on normal commercial terms, which are fair and reasonable and in the interests of the Group and the Shareholders as a whole.

The Directors have taken into account the above factors and with reference to the purchase prices in the recent properties transaction records in the Properties' location, the Company noted that the purchase price are in the trend of redevelopment value and therefore in the opinion of the Directors, the APD Valuation of the Properties reflect the existing market conditions and the real market value of the Properties.

### **Payment Method**

The Consideration shall be paid in cash as follows:

1. an aggregate initial deposit in the sum of HK\$11,302,625 has been paid to the Vendors on the signing date of the Provisional Agreements;
2. an aggregate further deposit in the sum of HK\$11,302,625 has been paid to the Vendors on 18 April 2017;

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## LETTER FROM THE BOARD

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3. an aggregate further deposit in the sum of HK\$22,605,250 shall be paid to the Vendors upon the signing of the formal agreement on or before 2 May 2017; and
4. an aggregate balance in the sum of HK\$180,842,000 shall be paid to the Vendors upon the completion on or before 28 June 2017.

With reference to the Group's management accounts as at 31 March 2017, the unaudited cash and cash equivalents is approximately HK\$566.7 million, of which, approximately RMB49.8 million (equivalent to approximately HK\$56.2 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\$510.5 million, (1) approximately HK\$25.5 million has been earmarked for the acquisition of the Matheson Remaining Unit; and (2) a total of approximately HK\$196.3 million raised from the Company's previous fund raising activities has been earmarked for the construction cost of the Project Inverness; (3) HK\$54.5 million is earmarked for the acquisition of FW Remaining Units; and (4) the remaining balance of HK\$234.2 million shall be applied for the settlement of the consideration of the Acquisition and/or working capital of the Group. Since the Group has sufficient internal resources, the Directors confirmed that the Acquisition will be funded by the internal resources of the Group.

11 of the Properties are subject to tenancy agreements that by the terms may still be in force at the latest time for completion of the formal sale and purchase agreements. Such tenancies will be expired between April 2017 and April 2020. Details of the tenancies are set out in Appendices II and IV to this circular.

Based on the tenancy agreements, gas, water, telephone and electricity charges were borne by the respective tenants of the Properties. Management fees and the government rates and rent levied on the Properties were borne by the landlords.

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

The Group's principal businesses are 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.

Upon completion of the Acquisition, the Group shall have 86.36% of the undivided shares of the Building (as contemplated by section 3(1) of the Ordinance); and the Company is entitled to file an application to the Lands Tribunal for an order to sell all the undivided shares in the Building for the purpose of redevelopment.

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## LETTER FROM THE BOARD

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The Group intends to acquire the Remaining Units so as to be the owner of the whole Building. As at the Latest Practicable Date, the Group has no concrete plan on the redevelopment timetable, but the Directors have a view to redevelop into a high rise composite commercial building if and when the Directors consider the market sentiment to be appropriate. The Company will make further announcement(s) to inform the Shareholders when any purchase of the Remaining Units are transacted.

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 (the “**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 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.

The Directors, including the independent non-executive Directors, are of the view that the terms of the Provisional Agreements are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

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## LETTER FROM THE BOARD

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### **FUTURE FUND RAISING EXERCISES**

As at the Latest Practicable Date, the Company does not have any concrete fund raising plans in the next 12 months. The Company shall make further announcements in the future in accordance with the Listing Rules as and when appropriate if any suitable fund raising opportunities arise, having regard to the financing needs, business plans and circumstances of the Company at the time.

As at the Latest Practicable Date, the Company has no plan, arrangement, understanding or intention for any potential acquisitions, and no negotiations was taking place in relation to any potential new acquisition.

### **FINANCIAL EFFECTS OF THE ACQUISITION**

#### **Earnings**

As rental income will be generated from the Properties, based on the rental income generated for the year ended 31 March 2017, the acquisition of the Properties will generate approximately HK\$1.4 million on the Group's earnings on rental income per annum.

#### **Assets and Liabilities**

Based on the unaudited pro forma financial information of the Group as set out in Appendix III to this circular, the effect of the Acquisition is that (i) properties held for development for sale by the Group will increase by approximately HK\$252.6 million and (ii) the cash reserve will decrease by approximately HK\$253.1 million. The Acquisition will have no potential effect on the Group's liabilities because the Group will only utilise its internal resources for the expenses and costs incurred in the Acquisition and the purchase of the Properties.

The Directors are of the view that the Acquisition is in the interest of the Group and is on normal commercial terms, which are fair and reasonable and in the interest of the Shareholders as a whole. Accordingly, the Directors would recommend the Shareholders to vote in favour of the resolution approving the Acquisition in the forthcoming SGM.

### **INFORMATION ON THE COMPANY AND THE PURCHASER**

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

The Purchaser is an investment holding company incorporated in Hong Kong with limited liability and is an indirect wholly-owned subsidiary of the Company.

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## LETTER FROM THE BOARD

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### SGM

The Acquisition constitutes a major transaction for the Company under the Listing Rules, for which Shareholders' approval is required. At present, no Shareholder is required to abstain from voting on the approval of the Acquisition.

A notice convening the SGM to be held on Monday, 5 June 2017 at 9:00 a.m. at Block A, 7th Floor, Hong Kong Spinners Building, Phase 6, 481-483 Castle Peak Road, Cheung Sha Wan, Kowloon, Hong Kong for the purpose of considering and, if thought fit, approving, among other things, the Acquisition is set out on pages N-1 to N-2 of this circular.

Whether or not Shareholders are able to attend the meeting, they are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar and transfer office in Hong Kong, Tricor Secretaries Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the SGM. Completion and return of the form or proxy will not preclude the Shareholders from subsequently attending and voting in person at the SGM or any adjournment thereof should they so wish.

### CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining shareholders' eligibility to attend and vote at the SGM, the register of members will be closed from Wednesday, 31 May 2017 to Monday, 5 June 2017, both days inclusive. During which period, no share transfers of the Company will be registered. In order to qualify to attend and vote at the SGM, all transfers of shares accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Secretaries Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong no later than 4:30 p.m. on Monday, 29 May 2017.

### RECOMMENDATION

The Board considers that the terms of the Provisional Agreements are fair and reasonable and in the interest of the Company and Shareholders as a whole. The Board therefore recommends the Shareholders to vote in favour of the ordinary resolution to be proposed at the SGM to approve the Acquisition and matters ancillary thereto as set out in the notice of SGM.

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**LETTER FROM THE BOARD**

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**ADDITIONAL INFORMATION**

Your attention is also drawn to the additional information set out in the appendices of this circular.

Yours faithfully,  
For and on behalf of  
**EMINENCE ENTERPRISE LIMITED**  
**Kwong Jimmy Cheung Tim**  
*Chairman and Chief Executive Officer*

**1. FINANCIAL SUMMARY OF THE GROUP**

Herebelow are the details of the published annual reports showing the financial information of the Group:

<b>For the year ended</b>	<b>Publication date of annual report</b>	<b>Pages</b>
31 March 2016 <i><a href="http://www.hkexnews.hk/listedco/listconews/SEHK/2016/0715/LTN20160715298.pdf">http://www.hkexnews.hk/listedco/listconews/SEHK/2016/0715/LTN20160715298.pdf</a></i>	15 July 2016	61 – 157
31 March 2015 <i><a href="http://www.hkexnews.hk/listedco/listconews/SEHK/2015/0721/LTN20150721049.pdf">http://www.hkexnews.hk/listedco/listconews/SEHK/2015/0721/LTN20150721049.pdf</a></i>	21 July 2015	60 – 145
31 March 2014 <i><a href="http://www.hkexnews.hk/listedco/listconews/SEHK/2014/0709/LTN20140709157.pdf">http://www.hkexnews.hk/listedco/listconews/SEHK/2014/0709/LTN20140709157.pdf</a></i>	9 July 2014	52 – 146
<b>For the six months ended</b>	<b>Publication date of interim report</b>	<b>Pages</b>
30 September 2016 <i><a href="http://www.hkexnews.hk/listedco/listconews/SEHK/2016/1215/LTN20161215317.pdf">http://www.hkexnews.hk/listedco/listconews/SEHK/2016/1215/LTN20161215317.pdf</a></i>	15 December 2016	22 – 60

**2. WORKING CAPITAL**

The Directors are of the opinion that, after taking into account the Acquisition and the present available financial resources, its expected internally generated funds and the present available banking facilities of the Group, the Group will have sufficient working capital for its present requirements and for the period up to 12 months from the date of this circular in the absence of unforeseen circumstances.

**3. INDEBTEDNESS**

At the close of business on 31 March 2017, being the latest practicable date for ascertaining the information prior to the printing of this circular, the Group has outstanding principal amount of bank borrowings of approximately HK\$780.1 million, which were both guaranteed by the Company and secured by certain properties of the Group.

Apart from as disclosed above and intra-group liabilities, the Group did not have at the close of business on 31 March 2017 any debt securities authorised or created by unissued, issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances (other than normal trade bills) or acceptance credits, debentures, mortgages, charges, finance leases, hire purchase commitments, guaranteed, unguaranteed, secured and unsecured borrowing and debt, or other material contingent liabilities.

#### 4. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

As mentioned in the interim report of the Company for the six months ended 30 September 2016, from the macroeconomic perspective, the expected rise of interest rates in United States dollar, the Brexit and geopolitical conditions had exerted impacts on various aspects of the global economy.

In Hong Kong, the recovery in the residential property market appears to be underway, with overall transaction volume having picked up significantly since April 2016, and transacted prices gradually rising from their lows at the beginning of 2016, and likely having bottomed.

The rebound in the transaction volume has been particularly evident in the primary residential market mainly attributable to the improving market sentiment due to slower than expected interest hikes, and the introduction of aggressive incentives by property developers to boost their property sales.

Looking ahead, the Group's core income for the second half of 2016 will be mainly generated from its property investment and the Group expects its property investment portfolios in Hong Kong, PRC and Singapore will continue to generate stable income in the second half of 2016.

#### 5. MATERIAL CHANGE

The Directors confirm that there has been no material change in the financial or trading position or outlook of the Group since 31 March 2016, the date to which the latest published audited financial statements of the Company were made up, up to and including the Latest Practicable Date, save as disclosed in

- (i) the Company's announcements dated 13 June 2016 and 13 July 2016 relating to the acquisition of Treasure Arts International Group Limited ("**TAI**") for a total consideration of HK\$51,891,900 which was satisfied by internal resources of the Company, and the completion date was 3 August 2016. TAI is an investment holding company and its sole assets is the 20 units of the Fung Wah Factorial Building ("**FW Building**");
- (ii) the Company's announcement dated 3 August 2016 relating to the acquisition of Daily Leader Limited ("**DLL**") for a total consideration of HK\$64,525,000 which was satisfied by internal resources of the Company, and the completion date was 13 October 2016. DLL is an investment holding company and its sole assets is the 5 units of the FW Building;

- (iii) the Company's announcement dated 1 March 2017 relating to the proposed issuing of a 3% per annum coupon rate 2017CB to Goodco Development Limited, a wholly-owned subsidiary of Easyknit International Holdings Limited, for a principal amount of HK\$16,000,000 having conferring rights to convert Shares on the basis of the conversion price of HK\$0.16 per Share till 2022; and
  
- (iv) the Company's announcement dated 1 March 2017 relating to the second deed of amendment to revise the terms of 2015CB by revising the conversion price to HK\$0.16 and extend the exercise period to 2022.

**1. PROFIT AND LOSS STATEMENT OF THE LEASED PROPERTY**

In accordance with Rule 14.67(6)(b)(i) of the Listing Rules, a profit and loss statement of the leased properties (“**Leased Properties**”) for the three financial years ended 31 March 2017 (“**Relevant Financial Years**”) is required to be included in this circular. The Company was provided with copies of the tenancy agreements (“**Tenancy Agreements**”) for the Properties. Other than such limited information, despite requests made by the Company’s legal advisers in this transaction, the Company is unable to gain full access to the underlying books and records or other financial information of the Vendors regarding the direct costs and other expenses for the preparation of the financial information of the Leased Properties for the Relevant Financial Years in strict compliance with the requirements of Rule 14.67(6)(b)(i) of the Listing Rules. The Company has therefore applied to the Stock Exchange for a waiver from strict compliance with Rule 14.67(6)(b)(i) of the Listing Rules, such that the following information be disclosed instead. The financial information of the Leased Properties for each of the Relevant Financial Years set out below has been prepared by the Directors solely based on the Tenancy Agreements provided by the Vendors. Accordingly, it may not give a true picture of the performance of the Leased Properties during the Relevant Financial Years.

	<b>For the year ended 31 March</b>		
	<b>2017</b>	<b>2016</b>	<b>2015</b>
	<i>HK\$’000</i>	<i>HK\$’000</i>	<i>HK\$’000</i>
<b>Leased Properties</b>			
<b>Rental income</b>	2,066	1,851	1,374
<b>Management fees</b>	422	422	428
<b>Government rates and rent</b>	185	167	172

*Notes:*

1. The rental income for the Relevant Financial Years is derived from the Tenancy Agreements.
2. Based on the Tenancy Agreements, gas, water, telephone and electricity charges were borne by the respective tenants of the Leased Properties. Certain management fees and government rates and rent are borne by the landlords.
3. Based on the statutory tax rate of Hong Kong, the total property tax paid and payable in respect of the Tenancy Agreements is estimated to be approximately HK\$144,000, HK\$202,000 and HK\$226,000 for the financial year ended 31 March 2015, 2016 and 2017 respectively.
4. Save for the Tenancy Agreements and other publicly available information, the Directors do not have access to other financial information in relation to the Leased Properties. Due to the limited information available to them, the Directors, based on the terms of the Tenancy Agreements and the experience of the Company's management, estimated that the other monthly expenses such as maintenance cost or insurance cost of the Leased Properties which are payable by the landlord is minimal. Accordingly, no other expenses such as maintenance cost, insurance cost or finance cost were included in the above financial information.
5. Save for the information that the Company could not obtain from the Vendors, the financial information of the Leased Properties set out above is prepared using accounting policies which are materially consistent with those of the Company.
6. The following procedures have been undertaken by Deloitte Touche Tohmatsu ("Deloitte"), the auditor of the Company, in accordance with the Hong Kong Standard on Related Services 4400 "Engagements to Perform Agreed Upon Procedures Regarding Financial Information" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"), with respect to the Tenancy Agreements.

*Deloitte:*

- i. obtained the rental income listing for each of the three years ended 31 March 2017 which was prepared by the management of the Company and checked its arithmetical accuracy.
- ii. obtained the rental income summary from the management and compared the total amounts of rental income for each of the three years ended 31 March 2017 as shown in the rental income summary to respective total rental amounts as shown in the rental income listing.
- iii. compared the particulars of the tenants' names, tenancy periods and monthly rental amounts shown in the rental income listing to respective tenancy agreements which were provided to Deloitte by the management of the Company.

*Deloitte's findings are:*

- a. With respect to procedure i, Deloitte found that the rental income listing for each of the three years ended 31 March 2017 was arithmetically accurate.
- b. With respect to procedure ii, Deloitte found that the total amounts of rental income for each of the three years ended 31 March 2017 as shown in the rental income summary were in agreement with respective total amounts as shown in the rental income listing.

- c. With respect to procedure iii, Deloitte found that the particulars of the tenants' names, tenancy periods and monthly rental amounts as shown in the rental income listing were in agreement with those contained in respective tenancy agreements which were provided to Deloitte by the management of the Company.

Because the above procedures do not constitute an assurance engagement performed in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA, Deloitte does not express any assurance on the rental income summary and rental income listing.

Had Deloitte performed additional procedures or had Deloitte performed an assurance engagement on the rental income summary or the rental income listing in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA, other matters might have come to Deloitte's attention that would have been reported to the Company.

7. The directors of the Company are of the views that the omission of a profit and loss statement for the net income stream of the Leased Property in the past would not render this circular materially incomplete and misleading or deceptive.

## **VALUATION OF THE LEASED PROPERTIES**

No valuation of the Leased Property at the end of the three years ended 31 March 2017 has been disclosed herein as the Directors were unable to obtain any valuation reports from the Vendors.

## A. UNAUDITED PRO FORMA STATEMENT OF ASSETS AND LIABILITIES

The following is an illustrative and unaudited pro forma statement of assets and liabilities of the Group which has been prepared on the basis of the notes set out below for the purpose of illustrating the effect of the Acquisition as if the Acquisition had taken place on 30 September 2016.

This unaudited pro forma statement of assets and liabilities of the Group has been prepared for illustrative purposes only and, because of its hypothetical nature, it may not give a true picture of the financial position of the Group had the Acquisition been completed as at 30 September 2016 or at any future date.

	<b>The Group as at 30 September 2016</b>	<b>Pro forma adjustments</b>		<b>Pro forma total for the Group</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(Unaudited)</i>			
	<i>(Note 1)</i>	<i>(Note 2)</i>	<i>(Note 3)</i>	
<b>Non-current assets</b>				
Property, plant and equipment	436	—	—	436
Investment properties	1,309,026	—	—	1,309,026
Loans receivable	57,400	—	—	57,400
Available-for-sale investments	147,681	—	—	147,681
	<u>1,514,543</u>	<u>—</u>	<u>—</u>	<u>1,514,543</u>
<b>Current assets</b>				
Properties held for development for sale	781,631	252,628	—	1,034,259
Trade and other receivables	94,211	—	—	94,211
Loans receivable	16,000	—	—	16,000
Investments held for trading	4,410	—	—	4,410
Bank deposits with original maturity of more than three months	191,538	—	—	191,538
Bank balances and cash	209,335	(252,628)	(500)	(43,793)
	<u>1,297,125</u>	<u>—</u>	<u>(500)</u>	<u>1,296,625</u>

	<b>The Group as at 30 September 2016</b>	<b>Pro forma adjustments</b>		<b>Pro forma total for the Group</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(Unaudited)</i>			
	<i>(Note 1)</i>	<i>(Note 2)</i>	<i>(Note 3)</i>	
<b>Current liabilities</b>				
Trade and other payables	27,738	—	—	27,738
Tax payable	8,980	—	—	8,980
Convertible notes	96,328	—	—	96,328
Secured bank borrowings	5,041	—	—	5,041
	<u>138,087</u>	<u>—</u>	<u>—</u>	<u>138,087</u>
<b>Net current assets</b>	<u>1,159,038</u>	<u>—</u>	<u>(500)</u>	<u>1,158,538</u>
<b>Total assets less current liabilities</b>	<u>2,673,581</u>	<u>—</u>	<u>(500)</u>	<u>2,673,081</u>
<b>Non-current liabilities</b>				
Convertible notes	13,073	—	—	13,073
Deferred tax liabilities	26,830	—	—	26,830
Secured bank borrowings	262,580	—	—	262,580
	<u>302,483</u>	<u>—</u>	<u>—</u>	<u>302,483</u>
<b>Net assets</b>	<u><u>2,371,098</u></u>	<u><u>—</u></u>	<u><u>(500)</u></u>	<u><u>2,370,598</u></u>

## Notes:

- The figures are extracted from the unaudited condensed consolidated statement of financial position of the Group as at 30 September 2016 as set out in the published interim report of the Company for the six months ended 30 September 2016.
- The adjustment represents (i) the Acquisition by the Group for a cash consideration of HK\$226,052,500 with the intention of property redevelopment with a view to sale; and (ii) the incurrance of expenses directly attributable to the Acquisition of approximately HK\$26,575,000, including non-refundable portion of Ad Valorem Stamp Duty of approximately HK\$17,533,000 and commission fee of approximately HK\$9,042,000. The Group will settle the above consideration and directly attributable expenses, including stamp duties, by cash.
- The adjustment represents payment of the estimated transaction costs attributable to this transaction of approximately HK\$500,000.
- No adjustments have been made to reflect any trading results or other transactions of the Group entered into subsequent to 30 September 2016.

**B. INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT  
ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL  
INFORMATION**

The following is the text of a report received from our reporting accountants, Deloitte Touche Tohmatsu, Certified Public Accountants, Hong Kong, prepared for the purpose of incorporation in this circular, in respect of the unaudited pro forma financial information.

**Deloitte.****德勤****TO THE DIRECTORS OF EMINENCE ENTERPRISE LIMITED**

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Eminence Enterprise Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group") by the directors of the Company (the "Directors") for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of assets and liabilities as at 30 September 2016 and related notes as set out in Section A of Appendix III to the circular issued by the Company dated 12 May 2017 (the "Circular"). The applicable criteria on the basis of which the Directors have compiled the unaudited pro forma financial information are described in Section A of Appendix III to the Circular.

The unaudited pro forma financial information has been compiled by the Directors to illustrate the impact of the proposed acquisition of 18 units and 2 car park units of Wing Cheong Factory Building, situated at No. 121 King Lam Street, Kowloon, Hong Kong for an aggregate cash consideration of HK\$226,052,500 (the "Acquisition") on the Group's financial position as at 30 September 2016 as if the Acquisition had taken place at 30 September 2016. As part of this process, information about the Group's financial position has been extracted by the Directors from the Group's unaudited condensed consolidated financial statements for the six months ended 30 September 2016, on which no review conclusion has been published.

**Directors' Responsibilities for the Unaudited Pro Forma Financial Information**

The Directors are responsible for compiling the unaudited pro forma financial information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" ("AG 7") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

**Our Independence and Quality Control**

We have complied with the independence and other ethical requirements of the "Code of Ethics for Professional Accountants" issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Control 1 "Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements" issued by the HKICPA and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

**Reporting Accountants' Responsibilities**

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the unaudited pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 "Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus" issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the unaudited pro forma financial information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the unaudited pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the unaudited pro forma financial information.

The purpose of unaudited pro forma financial information included in an investment circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the Acquisition at 30 September 2016 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the Group, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Opinion**

In our opinion:

- (a) the unaudited pro forma financial information has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

**Deloitte Touche Tohmatsu**  
*Certified Public Accountants*  
Hong Kong  
12 May 2017

*The following is the text of a letter and valuation certificate prepared for the purpose of incorporation in this circular received from Vigers Appraisal and Consulting Limited, an independent professional valuer, in connection with the valuation of the Property to be acquired by the Group for development as at 11 April 2017.*

**Vigers Appraisal and Consulting Limited**

*International Property Consultants*

10/F, The Grande Building,

398 Kwun Tong Road, Kowloon, Hong Kong

Tel: (852) 2342-2000 Fax: (852) 3101-9041 E-mail: [gp@vigers.com](mailto:gp@vigers.com)

[www.vigers.com](http://www.vigers.com)



12 May 2017

**The Board of Directors**

Eminence Enterprise Limited

7th Floor, Hong Kong Spinners Industrial Building Phase 6,

Nos. 481-483 Castle Peak Road,

Cheung Sha Wan, Kowloon, Hong Kong

Dear Sirs,

In accordance with your instruction for us to value the Property to be acquired by an indirect wholly owned subsidiary of “Eminence Enterprise Limited” (referred to as “the Company” and collectively referred to as “the Group”), we confirm that we have inspected part of the Property, made relevant enquiries and investigations as well as obtained such further information as we consider necessary for the purpose of providing our opinion of value of the Property as at 11 April 2017 (the “Valuation Date”).

**BASIS OF VALUE**

Our valuation is our opinion of market value of the Property which is defined as intended to mean “the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion”. Our valuation has been prepared in accordance with “The HKIS Valuation Standards (2012 Edition)” published by The Hong Kong Institute of Surveyors and “RICS Valuation – Professional Standards (January 2014)” published by the “Royal Institution of Chartered Surveyors” (“RICS”), the relevant provisions in the Companies Ordinance and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (Main Board).

**VALUATION APPROACH**

In our valuation, we have valued the tenanted portions of the Property on the basis of capitalisation of net rental income derived from the existing tenancies with allowance onto the reversionary interest of the Property and made reference to comparable market transactions. In valuing the portions of Property which are either vacant or owner-occupied, we have employed the direct comparison method whereby comparisons based on transactions on actual sales of comparable property have been made. Comparable property with similar character, location, sizes and so on are analyzed and carefully weighed against all respective advantages and disadvantages of the Property in order to arrive at the fair comparison of values.

**TITLE INVESTIGATIONS**

We have conducted land searches at the Land Registry but we have not searched the original documents to ascertain ownership nor to verify any lease amendments which may not appear on the copies handed to us. All documents have been used for reference purposes and all dimensions, measurements and areas are therefore approximations.

**VALUATION CONSIDERATION**

On-site inspection to the Property was carried out by Mr Eric W. L. TANG MRICS RICS Registered Valuer and Mr Jeff M.C. LIU BSc(Hons) on 11th April 2017. But we must stress that we have not carried out any structural survey nor have we inspected the woodwork or other parts of the structures of the Property which was covered, unexposed or inaccessible to us. We are therefore unable to report whether such part of the Property is free from any structural or non-structural defect.

Having examined all relevant documents, we have relied to a considerable extent on the information given by the Group, particularly planning approvals or statutory notices, easements, land tenure, site areas, floor areas, occupancy status and in the identification of the Property.

Unless otherwise stated, all dimensions, measurements and areas included in the valuation certificate are based on the information contained in the documents provided to us by the Group and are therefore approximations. We have had no reason to doubt the truth and accuracy of the information made available to us and we have been advised by the Group that no material fact has been omitted from the information so given.

**VALUATION ASSUMPTIONS**

Our valuation has been made on the assumption that the Property could be sold in the prevailing market in existing state but without the effect of any deferred term contract, leaseback, management agreement or any other similar arrangement which may serve to affect the value of the Property, unless otherwise noted or specified. In addition, no account has been taken into of any option or right of pre-emption concerning or affecting the sale of the Property.

The land lease of the Property had expired before 30 June 1997, and we have taken into account of the provisions contained in Annex III of the “Joint Declaration of the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the People’s Republic of China on the question of Hong Kong” as well as the “New Territories Leases (Extension) Ordinance” that such land lease has been extended without paying additional land premium until 30 June 2047.

In our valuation, we have assumed that the owner(s) of the Property has free and uninterrupted rights to use and assign the property during the whole of the unexpired land-lease term granted subject to the payment of usual Government Rent.

We had carried out on-site inspection to the Property but no soil investigation has been carried out to determine the suitability of ground condition or building services for any property development or to be erected on the Property. Our valuation has been carried out on the assumption that these aspects are satisfactory. In our valuation, we have also assumed that all necessary consents, approvals and licences from relevant government authorities have been or will have been granted for any property development erected or to be erected on the Property.

Our market value assessment of the Property is the value estimated without regard to costs of sale or purchase or transaction and without offset for any associated tax(es) or potential tax(es). Any transaction cost(s) or encumbrances such as mortgage, debenture or other charges against the Property has been disregarded. In our valuation, we have assumed that the Property is free from encumbrances, restrictions and outgoings of an onerous nature which may serve to affect the value of the Property.

Unless otherwise stated, all monetary amounts stated herein are denoted in the currency of Hong Kong Dollars (“HK\$”), the lawful currency of Hong Kong.

We enclose herewith the core content of our valuation report.

Yours faithfully,  
For and on behalf of

**VIGERS APPRAISAL AND CONSULTING LIMITED**

**David W. I. CHEUNG**  
*MRICS MHKIS RPS(GP) CREA*  
RICS Registered Valuer  
Executive Director

**Eric W. L. TANG**  
*MRICS*  
RICS Registered Valuer  
Director

Note: Mr. David W. I. Cheung is a Registered Professional Surveyor in General Practice Division with over 34 years' valuation experience on property in various regions including Hong Kong, Macao, the PRC, Japan, the United Kingdom, Canada and the United States of America, who has been vetted on the list of property valuers for undertaking valuations for incorporation or reference in listing particulars and circulars and valuations in connection with takeovers and mergers published by The Hong Kong Institute of Surveyors, and is suitably qualified for undertaking valuations relating to listing exercises. Mr. Cheung has over 10-year of experience with Vigers Appraisal and Consulting Limited.

Mr. Eric W. L. Tang is a professional member of the Royal Institution of Chartered Surveyors with over 14 years' valuation experience on property in various regions including Hong Kong, Macao and the PRC. Mr. Tang has over 9-year of experience with Vigers Appraisal and Consulting Limited.

## Property to be acquired by the Group for development

The Property	Description and Tenure	Occupancy Status	Market Value in Existing State as at the Valuation Date
<p>Portion A and Portion B of Car Park on the G/F, Flat A and B on First Floor, Flat A and B on Second Floor, Flat A and B on Third Floor, Flat A and B on Fourth Floor &amp; Flat Roof, Flat A and B on Fifth Floor, Flat A and B on Sixth Floor, Flat A and B on Seventh Floor, Flat A and B on Eighth Floor, Flat A and B on Ninth Floor &amp; Roof, Wing Cheong Factory Building, No. 121 King Lam Street, Cheung Sha Wan, Kowloon, Hong Kong</p>	<p>Completed in 1970, Wing Cheong Factory Building (the “Development”) is located at the junction of King Lam Street and Yu Chau West Street in Cheung Sha Wan district of Kowloon. The Development comprises a 10-storey industrial building consisting of 2 car parking areas, a loading and unloading area and 6 factory units on the Ground Floor, as well as 18 factory units on the upper floors.</p> <p>The Property comprises 2 car parking areas on the ground floor of the Development and 18 factory units on the upper floors with a total saleable area of approximately 3,364.5798 square metres (or 36,216 square feet). The breakdown of areas of the Property is listed in Note 3 below.</p>	<p>According to the information provided by the Group, the occupancy status of the Property is summarized in Note 4 below.</p>	<p>i. The existing use value of the Property subject to the existing tenancies for tenanted portion and assuming sale with the benefit of immediate vacant possession for owner-occupied portion is HK\$160,000,000 only.</p> <p>ii. The site value of the 100% interests of the Lot with vacant possession is HK\$280,000,000 only.</p> <p>iii. The site value attributable to the Property is HK\$243,892,000 only.</p>
<p>38/44th parts or parcels of ground known and registered in the Land Registry as New Kowloon Inland Lot No. 4474 (“the Lot”)</p>	<p>The Development is erected on a site with a registered site area of 509.3879 square metres (or 5,483 square feet) approximately.</p> <p>The Lot is held under Conditions of Sale No. UB7470 for a term of 99 years from 1st July 1898 less the last three days and has further been extended to 30th June 2047 in accordance with the provisions contained in Annex III of the “Joint Declaration of the Government of the United Kingdom and the Government of the People’s Republic of China on the question of Hong Kong” as well as the “New Territories Leases (Extension) Ordinance” that such land lease has been extended without paying additional land premium until 30th June 2047 and that a rent of three percent of the Rateable Value is charged per annum from the date of extension.</p>		

Note:

1. Pursuant to the recent land registration records, the current registered owners of the Property are listed as below:

<u>Property</u>	<u>Registered Owner and Last Transaction</u>
Portion A of Car Park on the G/F	SUNKINDS INDUSTRIAL LIMITED vide Memorial No. UB7860871 dated 7th August 1999
Portion B of Car Park on the G/F	TANG KIN NGAR vide Memorial No. UB3639007 dated 12th February 1988
Flat A on First Floor	SUNKINDS INDUSTRIAL LIMITED vide Memorial No. UB3995346 dated 19th January 1989
Flat B on First Floor	SUNKINDS INDUSTRIAL LIMITED vide Memorial No. UB3995346 dated 19th January 1989
Flat A on Second Floor	CHEUNG YAU CHOI vide Memorial No. UB2429265 dated 21st June 1983
Flat B on Second Floor	TSE SIU MAN vide Memorial No. UB7158275 dated 23rd June 1997
Flat A on Third Floor	DUET LIMITED vide Memorial No. 12030600630032 dated 9th February 2012
Flat B on Third Floor	LEE TIEN TSIN vide Memorial No. 05090601530113 dated 8th August 2005
Flat A on Fourth Floor & Flat Roof	1. TSE MAN YAU (Regarding 4/10th Shares) vide Memorial No. UB5438787 dated 8th September 1992
	2. TSE MAN YAU (Regarding 3/10th Shares) vide Memorial No. 09011501970038 dated 6th January 2009
	3. CHAN HUT YIN (Tenant in Common (1/4)), TSE PUI SAN (Tenant in Common (1/4)), TSE KWOK YAU STEPHEN (Tenant in Common (1/4)) and TSE MAN YAU (Tenant in Common (1/4)) (Regarding 3/10th Shares) vide Memorial No. 12092400610027 dated 24th August 2012
Flat B on Fourth Floor & Flat Roof	1. TSE MAN YAU (Regarding 4/10th Shares) vide Memorial No. UB5438787 dated 8th September 1992
	2. TSE MAN YAU (Regarding 3/10th Shares) vide Memorial No. 09011501970038 dated 6th January 2009
	3. CHAN HUT YIN (Tenant in Common (1/4)), TSE PUI SAN (Tenant in Common (1/4)), TSE KWOK YAU STEPHEN (Tenant in Common (1/4)) and TSE MAN YAU (Tenant in Common (1/4)) (Regarding 3/10th Shares) vide Memorial No. 12092400610027 dated 24th August 2012

Flat A on Fifth Floor	LEE HIN WOON and LAU AH NA (Joint Tenant) vide Memorial No. UB9292500 dated 12th July 2004
Flat B on Fifth Floor	FUNG TING vide Memorial No. UB674761 dated 5th May 1969
Flat A on Sixth Floor	JSOTEX & COMPANY LIMITED vide Memorial No. 10022602740249 dated 1st February 2010
Flat B on Sixth Floor	JSOTEX & COMPANY LIMITED vide Memorial No. 10022602740254 dated 1st February 2010
Flat A on Seventh Floor	NG YU TUEN and WONG MARIANA YUEN PING (Joint Tenant) vide Memorial No. 15040201790213 dated 10th March 2015
Flat B on Seventh Floor	王斌 vide Memorial No. 15040201610020 dated 10th March 2015
Flat A on Eighth Floor	HON MAN WAH vide Memorial No. 06042801530096 dated 31st March 2006
Flat B on Eighth Floor	PONG YIP HING vide Memorial No. UB7595948 dated 30th September 1998
Flat A on Ninth Floor & Roof	LEUNG LAI SUM vide Memorial No. 11010402360066 dated 7th December 2010
Flat B on Ninth Floor & Roof	LEUNG CHI HONG vide Memorial No.11010402360079 dated 7th December 2010

**2. Pursuant to the recent land registration records, the Property is subject to the following salient encumbrances:**

<u>Property</u>	<u>Encumbrances</u>
Portion A of Car Park on the G/F	Deed of Mutual Covenant vide Memorial No. UB655478 dated 18th November 1968
Portion B of Car Park on the G/F	Deed of Mutual Covenant vide Memorial No. UB655478 dated 18th November 1968
Flat A on First Floor	Deed of Mutual Covenant vide Memorial No. UB655478 dated 18th November 1968
Flat B on First Floor	Deed of Mutual Covenant vide Memorial No. UB655478 dated 18th November 1968
Flat A on Second Floor	Deed of Mutual Covenant vide Memorial No. UB655478 dated 18th November 1968
Flat B on Second Floor	<ol style="list-style-type: none"> <li>Deed of Mutual Covenant vide Memorial No. UB655478 dated 18th November 1968</li> <li>Mortgage for All Moneys in favour of Hang Seng Bank Limited vide Memorial No. 15021200360270 dated 15th January 2015</li> </ol>

Flat A on Third Floor	1. Deed of Mutual Covenant vide Memorial No. UB655478 dated 18th November 1968
	2. Second Mortgage for All Moneys in favour of China Yinsheng Finance Limited vide Memorial No. 15060400500051 dated 2nd June 2015
Flat B on Third Floor	Deed of Mutual Covenant vide Memorial No. UB655478 dated 18th November 1968
Flat A on Forth Floor & Flat Roof	Deed of Mutual Covenant vide Memorial No. UB655478 dated 18th November 1968
Flat B on Forth Floor & Flat Roof	Deed of Mutual Covenant vide Memorial No. UB655478 dated 18th November 1968
Flat A on Fifth Floor	Deed of Mutual Covenant vide Memorial No. UB655478 dated 18th November 1968
Flat B on Fifth Floor	Deed of Mutual Covenant vide Memorial No. UB655478 dated 18th November 1968
Flat A on Sixth Floor	Deed of Mutual Covenant vide Memorial No. UB655478 dated 18th November 1968
Flat B on Sixth Floor	Deed of Mutual Covenant vide Memorial No. UB655478 dated 18th November 1968
Flat A on Seventh Floor	1. Deed of Mutual Covenant vide Memorial No. UB655478 dated 18th November 1968
	2. Mortgage for All Moneys in favour of Wing Lung Bank Limited vide Memorial 15040201790223 dated 10th March 2015
	3. Assignment of Rentals in favour of Wing Lung Bank Limited vide Memorial 15040201790232 dated 10th March 2015
Flat B on Seventh Floor	Deed of Mutual Covenant vide Memorial No. UB655478 dated 18th November 1968
Flat A on Eighth Floor	Deed of Mutual Covenant vide Memorial No. UB655478 dated 18th November 1968
Flat B on Eighth Floor	Deed of Mutual Covenant vide Memorial No. UB655478 dated 18th November 1968
Flat A on Ninth Floor & Roof	1. Deed of Mutual Covenant vide Memorial No. UB655478 dated 18th November 1968
	2. Nomination (Remarks: by Leung Lai Yuk see Assignment Mem. No. 11010402360066) in favour of Leung Lai Sum (Nominee) vide Memorial No. 10112201940053 dated 1st November 2010

- |                              |    |  |
|------------------------------|----|--|
|                              | 3. | Notice No. WC/TD001163/06/K-U07 by The Building Authority under S.24C(1) of The Buildings Ordinance vide Memorial No. 07041800480036 dated 3rd May 2006  |
|                              | 4. | Mortgage to secure General Banking Facilities to an Unlimited Extent (PT.) in favour of Shanghai Commercial Bank Limited vide Memorial. 11010402360083 dated 7th December 2010   |
| Flat B on Ninth Floor & Roof | 1. | Deed of Mutual Covenant vide Memorial No. UB655478 dated 18th November 1968  |
|                              | 2. | Sealed Copy Order Absolute Imposing Charge on Land (Remarks: (H.C. No.A4183 of 1997)) in favour of Wing Lee Piece Goods Company (A Firm) “the Plaintiff” and Larch Investment Limited “the Defendant” vide Memorial No. UB7125027 dated 16th June 1997 |
|                              | 3. | Notice No. WC/TD001163/06/K-U07 by The Building Authority under S.24C(1) of The Buildings Ordinance vide Memorial No. 07041800480036 dated 3rd May 2006  |
|                              | 4. | Mortgage to secure General Banking Facilities to an Unlimited Extent (PT.) in favour of Shanghai Commercial Bank Limited vide Memorial. 11010402360083 dated 7th December 2010   |

**3. As measured from the approved General Building Plans, the floor areas of the Property are tabulated as follows:**

<u>Property</u>	<u>Saleable Area</u>	<u>Ancillary Area</u>	<u>Remarks</u>
Portion A of Car Park on the G/F		Not applicable	
Portion B of Car Park on the G/F		Not applicable	
Flat A on First Floor	199.7417 square metres or 2,150 square feet	Nil	
Flat B on First Floor	238.0178 square feet or 2,562 square feet	Nil	
Flat A on Second Floor	199.7417 square metres or 2,150 square feet	Nil	
Flat B on Second Floor	238.0178 square metres or 2,562 square feet	Nil	

Flat A on Third Floor	199.7417 square metres or 2,150 square feet		Nil
Flat B on Third Floor	238.0178 square metres or 2,562 square feet		Nil
Flat A on Forth Floor & Flat Roof	170.9418 square metres or 1,840 square feet	30.1935 square metres or 325 square feet	(Flat Roof)
Flat B on Forth Floor & Flat Roof	170.9418 square metres or 1,840 square feet	70.8851 square metres or 763 square feet	(Flat Roof)
Flat A on Fifth Floor	170.9418 square metres or 1,840 square feet		Nil
Flat B on Fifth Floor	170.9418 square metres or 1,840 square feet		Nil
Flat A on Sixth Floor	170.9418 square metres or 1,840 square feet		Nil
Flat B on Sixth Floor	170.9418 square metres or 1,840 square feet		Nil
Flat A on Seventh Floor	170.9418 square metres or 1,840 square feet		Nil
Flat B on Seventh Floor	170.9418 square metres or 1,840 square feet		Nil
Flat A on Eighth Floor	170.9418 square metres or 1,840 square feet		Nil
Flat B on Eighth Floor	170.9418 square metres or 1,840 square feet		Nil
Flat A on Ninth Floor & Roof	170.9418 square metres or 1,840 square feet	140.8411 square metres or 1,516 square feet	(Roof)
Flat B on Ninth Floor & Roof	170.9418 square metres or 1,840 square feet	78.5031 square metres or 845 square feet	(Roof)

4. According to the information provided by the Group, the occupancy status of the Property is summarized as follows:

Property	Occupancy Status	Lease Term	Monthly Rent	Remarks
Portion A of Car Park on the G/F	Tenanted	1/6/2016 to 30/5/2018	HK\$33,800	Together with Flat A on First Floor
Portion B of Car Park on the G/F	Owner-occupied	Not Applicable		
Flat A on First Floor	Tenanted	1/6/2016 to 30/5/2018	HK\$33,800	Together with Portion A of Car Park on G/F
Flat B on First Floor	Tenanted	19/7/2016 to 30/4/2018	HK\$25,000	
Flat A on Second Floor	Tenanted	5/5/2015 to 4/4/2017	HK\$12,000	
Flat B on Second Floor	Owner-occupied	Not Applicable		
Flat A on Third Floor	Owner-occupied	Not Applicable		
Flat B on Third Floor	Owner-occupied	Not Applicable		
Flat A on Fourth Floor & Flat Roof	Owner-occupied	Not Applicable		
Flat B on Fourth Floor & Flat Roof	Tenanted to 5 tenants	14/7/2016 to 13/7/2017	HK\$1,500	
		1/9/2016 to 31/8/2017	HK\$3,300	
		1/1/2017 to 31/12/2017	HK\$6,621	
		1/9/2016 to 31/8/2017	HK\$4,000	
		1/1/2017 to 31/12/2019	HK\$3,500	
Flat A on Fifth Floor	Owner-occupied	Not Applicable		
Flat B on Fifth Floor	Tenanted	15/8/2014 to 14/8/2017	HK\$16,700	
Flat A on Sixth Floor	Owner-occupied	Not Applicable		
Flat B on Sixth Floor	Owner-occupied	Not Applicable		
Flat A on Seventh Floor	Tenanted	1/8/2015 to 31/7/2018	HK\$27,200	
Flat B on Seventh Floor	Owner-occupied	Not Applicable		
Flat A on Eighth Floor	Tenanted	10/3/2017 to 9/3/2018	HK\$18,000	
Flat B on Eighth Floor	Owner-occupied	Not Applicable		
Flat A on Ninth Floor	Tenanted	1/5/2014 to 30/4/2017	HK\$21,600	
Flat B on Ninth Floor	Tenanted	1/5/2014 to 30/4/2017	HK\$21,600	
Roof	Owner-occupied	Not Applicable		

5. The Development is located at the junction of King Lam Street and Yu Chau West Street in Cheung Sha Wan district in Kowloon. The locality was a traditional industrial area and is now dominated by a number of grand office buildings and light industrial buildings redevelopment. The accessibility is considered to be reasonable with public transportation such as buses, light buses and taxis well served. The MTR Lai Chi Kok Station is located within 10 minutes' walk away from the Property.

6. Conditions of Sale No. UB7470 was granted for industrial and/or godown purposes. Space shall be provided within the Lot for the parkings loading and unloading of motor-vehicles at the rate of not less than one vehicle (parking space) for each 10,000 or part of 10,000 square feet of floor area but in any event not less than one vehicle (parking space) for each 5,000 or part of 5,000 square feet of site area.

By two letters from the Registrar General's Department dated 6th November 1986, Flat D on Ground Floor of the Development and Flat E on Ground Floor of the Development was respectively granted with a waiver for the life time of the Development to have an area not exceeding 14 square metres or thereabouts for the purpose of a canteen which shall be exclusively by the people employed on the Development.

7. The Property falls within an area zoned "Other Specified Uses" annotated "Business" on Approved Cheung Sha Wan Outline Zoning Plan No. S/K5/37 ("the Outline Zoning Plan") dated 6th December 2016. According to the Notes attached to the Outline Zoning Plan, on land designated "Other Specified Uses" annotated "Business", no new development, or addition, alternation and/or modification to or redevelopment of an existing building shall result in a total development and/or redevelopment in excess of a maximum plot ratio of 12.0 or the plot ratio of the existing building(s), whichever is the greater; and in excess of a maximum building heights of 130 metres above Principal Datum, or the height of the existing building, whichever is the greater.

8. In our valuation, we have compared the asset with identical or comparable (that is similar) assets for which price information is available. Comparable properties with similar character, location and so on are analysed and carefully weighed against all respective advantages and disadvantages of the Property in order to arrive at the fair comparison of value.

The unit rates of comparable transactions are in the range of about HK\$3,126 to HK\$6,943 per square foot for upper floor workshop units and about HK\$1,300,000 to HK\$2,080,000 per space for car parking spaces on ground floor. Our valuation falls within these ranges.

9. In assessing the site value attributable to the Property, we have apportioned the 100% site value in accordance with the proportion of the existing use value of the Property to the total existing use value of all the units in the Development currently erected on the Lot, which is assessed to be HK\$184,067,000 only. No allowance has been given to the possible costs, which are required for the amalgamation of the 100% shares of the Lot either by private negotiation or by the compulsory sale order under Land (Compulsory Sale For Redevelopment) Ordinance (Cap. 545).

10. We note that Notice No. WC/TD001163/06/K-U07 by The Building Authority under S.24C(1) of The Buildings Ordinance was registered regarding Flat A and Flat B on Ninth Floor & Roof of the Property. In the course of our valuation, we have assumed the aforesaid Notice has been complied with and to the satisfaction of the Building Authority; and no allowance has been made for remedial work(s), if any.

**1. RESPONSIBILITY STATEMENT**

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

**2. DISCLOSURE OF INTERESTS****(a) Directors' interest in Shares, underlying Shares and debentures**

As at the Latest Practicable Date, the Directors and the chief executive of the Company had the following interests and short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which any such Director or, chief executive of the Company was taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, to be notified to the Company and the Stock Exchange:

***Long positions in Shares:***

Name of Director	Capacity	Number of Shares held	Number of underlying Shares held	Total	Approximate percentage of interest
Ms. Lui Yuk Chu	Beneficiary of a trust <i>(note)</i>	457,330,692	23,480,281	480,810,973	25.15%

*Notes:*

These Shares are respectively registered in the name of and are beneficially owned by Landmark Profits Limited (“**Landmark Profits**”) and Goodco Development Limited (“**Goodco**”), both are wholly-owned subsidiaries of Easyknit International Holdings Limited (“**Easyknit International**”). Sea Rejoice Limited is interested in approximately 21.95% of the issued share capital of Easyknit International and it is wholly-owned by Ms. Lui Yuk Chu. Magical Profits Limited (“**Magical Profits**”) is interested in approximately 36.74% of the issued share capital of Easyknit International. Magical Profits is wholly-owned by Accumulate More Profits Limited which in turn is wholly-owned by The Winterbotham Trust Company Limited (“**Winterbotham Trust**”) as the trustee of The Magical 2000 Trust (the beneficiaries of which include Ms. Lui Yuk Chu and her family members other than her spouse). For the 23,480,281 underlying Shares, of which 880,281 are the underlying Shares of 2014CB held by Goodco and the remaining 22,600,000 underlying Shares of the share options granted to Ms. Lui Yuk Chu and Mr. Koon Wing Yee (the spouse of Ms. Lui Yuk Chu) on 14 October 2016.

*Long positions in underlying Shares:*

Name of Director	Date of grant	Exercise price per Share (HK\$)	Number of Share options outstanding	Exercise period	Number of underlying Shares	Approximate percentage of underlying Shares in the Company's total issued share capital
						(note 1)
Lui Yuk Chu	14 October 2016	0.176	11,300,000	14 Oct 2016 – 13 Oct 2019	11,300,000	0.59%

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or the chief executive of the Company had any interests or short positions in the Shares, underlying Shares and/or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which any such Director or chief executive of the Company was taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, to be notified to the Company and the Stock Exchange.

**(b) Substantial Shareholders' interest in Shares and underlying Shares**

As at the Latest Practicable Date, so far as was known to the Directors or chief executive of the Company, the persons (“**Substantial Shareholders**”) (other than the Directors or the chief executive of the Company) who had an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provision of Divisions 2 and 3 of Part XV of the SFO or who were, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group or had any options in respect of such capital are set out below:

Name of Shareholder	Note	Capacity	Number of Shares held (long position)	Number of underlying Shares held	Total	Approximate percentage of interest
Koon Wing Yee	<i>i</i>	Interest of spouse	457,330,692	23,480,281	480,810,973	25.15%
Landmark Profits	<i>i &amp; ii</i>	Beneficial owner	93,549,498	—	93,549,498	4.89%
Goodco	<i>i &amp; ii</i>	Beneficial owner	363,781,194	880,281	364,661,475	19.07%
Easyknit International	<i>i &amp; ii</i>	Interest of controlled corporation	457,330,692	880,281	458,210,973	23.97%
Magical Profits	<i>i &amp; iii</i>	Interest of controlled corporation	457,330,692	880,281	458,210,973	23.97%
Accumulate More Profits Limited	<i>i</i>	Interest of controlled corporation	457,330,692	880,281	458,210,973	23.97%
Winterbotham Trust	<i>i &amp; iv</i>	Trustee	457,330,692	880,281	458,210,973	23.97%
Winterbotham Holdings Limited	<i>iv</i>	Interest of controlled corporation	457,330,692	880,281	458,210,973	23.97%
Markson International Holdings Limited	<i>iv</i>	Interest of controlled corporation	457,330,692	880,281	458,210,973	23.97%
Christopher Geoffrey Douglas Hooper	<i>iv</i>	Interest of controlled corporation	457,330,692	880,281	458,210,973	23.97%
Ivan Geoffrey Douglas Hooper	<i>iv</i>	Interest of controlled corporation	457,330,692	880,281	458,210,973	23.97%
Madian Star Limited		Beneficial owner	—	260,606,060	260,606,060	18.49%
Lung Chung Chi		Beneficial owner	209,965,000	—	209,965,000	10.98%
Hu Rong		Beneficial owner	156,310,000	—	156,310,000	8.18%
Able Merchant Limited		Beneficial owner	152,222,222	—	152,222,222	9.74%

*Notes:*

- (i) In the 457,330,692 Shares, 93,549,498 Shares and 363,781,194 Shares are registered in the name of and beneficially owned by Landmark Profits and Goodco respectively, both are the wholly-owned subsidiaries of Easyknit International. Goodco is also interested in 880,281 underlying Shares (subject to adjustment) to be issued upon the full conversion of the 2014 CB. Sea Rejoice Limited is interested in approximately 21.95% of the issued share capital of Easyknit International and it is wholly-owned by Ms. Lui Yuk Chu, a Director. Magical Profits is interested in approximately 36.74% of the issued share capital of Easyknit International. Magical Profits is wholly-owned by Accumulate More Profits Limited which in turn is wholly-owned by Winterbotham Trust as the trustee of The Magical 2000 Trust (the beneficiaries of which include Ms. Lui Yuk Chu and her family members other than her spouse). Mr. Koon Wing Yee, being the spouse of Ms. Lui Yuk Chu, is deemed to be interested in the 457,330,692 Shares. For the 23,480,281 underlying Shares, of which 880,281 are the underlying Shares of 2014CB held by Goodco and the remaining 22,600,000 underlying Shares of the share options granted to Ms. Lui Yuk Chu and Mr. Koon Wing Yee (the spouse of Ms. Lui Yuk Chu) on 14 October 2016.
- (ii) Mr. Kwong Jimmy Cheung Tim and Ms. Lui Yuk Chu, being Directors, are also directors of Landmark Profits, Goodco and Easyknit International.
- (iii) Ms. Lui Yuk Chu, being a Director, is also a director of Sea Rejoice Limited and Magical Profits.
- (iv) Winterbotham Trust is trustee of The Magical 2000 Trust (the beneficiaries of which include Ms. Lui Yuk Chu and her family members other than her spouse). Winterbotham Trust is owned as to 75% by Winterbotham Holdings Limited (“**Winterbotham Holdings**”) and 25% by Markson International Holdings Limited (“**Markson**”) respectively. Winterbotham Holdings is owned as to approximately 99.99% by Mr. Christopher Geoffrey Douglas Hooper. And Markson is owned as to 60% by Mr. Christopher Geoffrey Douglas Hooper and 40% by Mr. Ivan Geoffrey Douglas Hooper respectively.

### 3. DIRECTORS’ SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing and proposed service contract with any members of the Group other than contracts expiring or determinable by the relevant member of the Group within one year without payment of compensation (other than statutory compensation).

### 4. DIRECTORS’ INTEREST IN CONTRACTS AND ASSETS

As at the Latest Practicable Date, there was no contract or arrangement subsisting in which any Director was materially interested and which was significant in relation to the business of the Group.

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which have been, since 31 March 2016 (being the date to which the latest published audited accounts of the Group were made up), (i) acquired or disposed of by; or (ii) leased to; or (iii) proposed to be acquired or disposed of by; or (iv) proposed to be leased to, any member of the Group.

**5. DIRECTORS' INTEREST IN COMPETING BUSINESS**

As at the Latest Practicable Date, none of the Directors or their respective associates was interested in any business which competes or is likely to compete, either directly or indirectly, with the business of the Group as required to be disclosed pursuant to the Listing Rules.

**6. MATERIAL CONTRACTS**

- (a) the underwriting agreement dated 6 August 2015 entered into between the Company and Get Nice Securities Limited, as the underwriter, in relation to the underwriting and certain other arrangements in respect of a rights issue of 1,063,437,920 rights shares at the subscription price of HK\$0.48 per rights shares;
- (b) the sale and purchase agreement and supplemental agreements dated 13 June 2016 and 20 June 2016 respectively entered into between Skill Master Investments Limited (“**Skill Master**”) as the purchaser and the seller (an Independent Third Party) relating to the sale and purchase of the sale share and sale loan of Treasure Arts International Group Limited for a total consideration of HK\$51,981,900;
- (c) the sale and purchase agreement and supplemental agreements dated 3 August 2016 entered into between Skill Master as the purchaser and the seller (an Independent Third Party) relating to the sale and purchase of the sale share and sale loan of DLL for a total consideration of HK\$64,525,000;
- (d) the placing agreement dated 8 September 2016 entered into between the Company and Get Nice Securities Limited, as the placing agent, to place 223,000,000 new shares of the Company at a placing price of HK\$0.18 per share;
- (e) the underwriting agreement dated 13 October 2016 entered into between the Company and China Rise Securities Asset Management Limited and Get Nice Securities Limited, as the underwriters, in relation to the underwriting and certain other arrangements in respect of a rights issue of not less than 3,313,504,101 rights shares and not more than 4,434,322,281 rights shares at the subscription price of HK\$0.103 per rights share;

- (f) the subscription agreement dated 1 March 2017 entered into between the Company and Goodco Development Limited, a wholly-owned subsidiary of Easyknit International Holdings Limited, relating to the issuing of a 3% per annum coupon rate 2017CB for a principal amount of HK\$16,000,000 having conferring rights to convert Shares on the basis of the conversion price of HK\$0.16 per Share till 2022; and
- (g) the Second Deed of Amendments dated 1 March 2017 relating to the revision of the terms of 2015CB by revising the conversion price to HK\$0.16 and extend the exercise period to 2022.

## 7. LITIGATION

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries have been engaged in any litigation or claims of material importance and, so far as the Directors are aware, there was no litigation or claim of material importance known to the Directors to be pending or threatened by or against the Company or any of its subsidiaries.

## 8. EXPERTS AND CONSENTS

The following is the qualification of the experts who are named in this circular or have given their opinions or advices which are contained in this circular:

<b>Name</b>	<b>Qualification</b>
Deloitte Touche Tohmatsu	Certified Public Accountants
Vigers Appraisal and Consulting Limited	Independent Professional Valuer

As at the Latest Practicable Date, the above experts did not have:

- (a) any direct or indirect interest in any assets which have been, since 31 March 2016 (being the date to which the latest published audited accounts of the Company were made up), acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group; and
- (b) any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

The above experts have given and have not withdrawn their respective written consents to the issue of this circular with the inclusion of their letters and the references to their names in the form and context in which they appears.

**9. GENERAL**

- (a) The company secretary of the Company is Mr. Lee Po Wing, a practising solicitor since 1994 with extensive experience in legal field;
- (b) The registered office of the Company is at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda and the principal place of business of the Company in Hong Kong is at Block A, 7th Floor, Hong Kong Spinners Building, Phase 6, 481-483 Castle Peak Road, Cheung Sha Wan, Kowloon, Hong Kong;
- (c) The Hong Kong branch share registrar and transfer office of the Company is Tricor Secretaries Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong; and
- (d) The English text of this circular prevails over the Chinese text.

**10. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection during normal business hours at the Company's principal place of business in Hong Kong at Block A, 7th Floor, Hong Kong Spinners Building, Phase 6, 481-483 Castle Peak Road, Cheung Sha Wan, Kowloon, Hong Kong for a period of 14 days from the date of this circular:

- (a) the memorandum of association and bye-laws of the Company;
- (b) the annual reports of the Company containing audited consolidated financial statements of the Company for the three years ended 31 March 2014, 2015 and 2016;
- (c) the interim report of the Company for the six months ended 30 September 2016;
- (d) the letter from Deloitte Touche Tohmatsu in respect of the unaudited pro forma statement of assets and liabilities of the Group as set out in Appendix III to this circular;
- (e) the valuation report prepared by Vigers Appraisal and Consulting Limited, the text of which is set out in Appendix IV to this circular;

- (f) the letters of consent referred to in the paragraph headed “Experts and consents” in this appendix;
- (g) the material contracts referred to the paragraph headed “Material contracts” in this appendix;
- (h) a copy of each circular issued pursuant to the requirement set out in Chapter 14 and/or 14A of the Listing Rules which has been issued since the date of the latest published audited accounts; and
- (i) this circular.

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## NOTICE OF SPECIAL GENERAL MEETING

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### EMINENCE ENTERPRISE LIMITED

高山企業有限公司

*(incorporated in Bermuda with limited liability)*

(Stock Code: 616)

### NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a special general meeting (the “**Meeting**”) of Eminence Enterprise Limited (高山企業有限公司) (the “**Company**”) will be held at Block A, 7th Floor, Hong Kong Spinners Building, Phase 6, 481-483 Castle Peak Road, Cheung Sha Wan, Kowloon, Hong Kong, on Monday, 5 June 2017, at 9:00 a.m. for the purpose of considering and, if thought fit, passing the following resolution, with or without amendments, as an ordinary resolution of the Company:

#### ORDINARY RESOLUTION

“**THAT:**

- (a) the 17 sets of Provisional Agreements dated 28 March 2017 entered into by the vendors and the Company or its subsidiaries as purchaser in relation to the sale and purchase of the 18 units and 2 carports of Wing Cheong Factory Building at 121 King Lam Street, Kowloon, Hong Kong (“**Acquisition**”) for the consideration of HK\$226,052,500; and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified; and
- (b) any one director of the Company be and is hereby authorized for and on behalf of the Company to execute all such documents, instruments and agreements and do all such acts, matters and things as he/she may in his/her absolute discretion consider necessary, desirable or expedient for the purposes of or in connection with implementing, completing and giving effect to the Acquisition and the transactions contemplated thereunder and to agree to such variations of the terms of the Acquisition as he/she may in his/her absolute discretion consider necessary or desirable.”

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

Hong Kong, 12 May 2017

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## NOTICE OF SPECIAL GENERAL MEETING

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*Registered office:*

Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

*Head office and principal place of business in Hong Kong:*

Block A, 7th Floor  
Hong Kong Spinners Building, Phase 6  
481-483 Castle Peak Road  
Cheung Sha Wan  
Kowloon  
Hong Kong

*Notes:*

1. A form of proxy for use at the Meeting is enclosed herewith.
2. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of any officer or attorney duly authorised.
3. Any shareholder of the Company entitled to attend and vote at the Meeting convened by the above notice shall be entitled to appoint another person as his proxy to attend and vote instead of him. A proxy need not be a shareholder of the Company.
4. In order to be valid, the form of proxy, together with the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power of attorney or authority, must be deposited at the Company's branch share registrar in Hong Kong, Tricor Secretaries Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for holding of the above Meeting.
5. The register of members of the Company will be closed from Wednesday, 31 May 2017 to Monday, 5 June 2017 (both dates inclusive), during which period no transfer of shares of the Company will be effected. In order to qualify to attend and vote at the SGM, all transfers of shares accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Secretaries Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong no later than 4:30 p.m. on Monday, 29 May 2017.
6. Completion and return of the form of proxy will not preclude a shareholder of the Company from attending and voting in person at the Meeting convened and in such event, the form of proxy will be deemed to be revoked.
7. Where there are joint holders of any share of the Company, any one of such joint holders may vote, either in person or by proxy, in respect of such share as if he/she were solely entitled thereto, but if more than one of such joint holders are present at the Meeting, whether in person or by proxy, the most senior shall alone be entitled to vote. For this purpose, seniority shall be determined by the order in which the names stand on the register of members of the Company in respect of the joint holding.