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If you have sold or transferred all your securities 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**

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 4 to 11 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, 23 October 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.

29 September 2017

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DEFINITIONS

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

“Acquisitions”	the acquisition of the Unit-1 and Unit-2 at a total consideration of HK\$81,300,000
“Agreements”	SP agreement and the Provisional Agreement
“AP common part”	a space underneath the common staircase on ground floor of the FW Building
“Board”	the board of Directors
“Company” or “Eminence”	Eminence Enterprise Limited (高山企業有限公司), a company incorporated in Bermuda with limited liability, the securities of which are listed on the main board of the Stock Exchange
“Director(s)”	director(s) of the Company
“FW Properties”	a total of 26 units of the FW Building, collectively known as <ol style="list-style-type: none">(1) units A2, B1, B2, C2 of ground floor;(2) units B, C and D of 1st floor;(3) units A, B and C of 2nd floor;(4) units A, B, C and D of 3rd floor;(5) units A, B, C and D of 4th floor;(6) units B, C and D of 5th floor;(7) unit A and roof A, unit B and roof B, unit C and roof C, and unit D and roof D of 6th floor; and(8) AP common part
“FW Building”	the building known as Fung Wah Factorial Building which is situated at No. 646, 648 & 648A Castle Peak Road, Kowloon, Hong Kong with a total of 32 units (including an AP common part)
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party”	a third party independent of the Company and of connected persons (as defined in the Listing Rules) of the Company
“Lands Tribunal”	the Lands Tribunal established under the Lands Tribunal Ordinance (Cap 17)

DEFINITIONS

“Latest Practicable Date”	26 September 2017, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“major transaction”	as defined in the Listing Rules
“Matheson Remaining Unit”	ground floor and cockloft 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
“Project Inverness”	a residential development project at No. 14, 16, 18 and 20 Inverness Road, Kowloon Tong, Hong Kong
“Properties”	Unit-1 and Unit-2 of the FW Building
“Provisional Agreement”	a provisional sale and purchase agreement dated 15 August 2017 relating to the acquisition of Unit-2 at a consideration of HK\$69,800,000
“psf”	per square foot
“SP Agreement”	a sale and purchase agreement dated 14 August 2017 relating to the acquisition of Unit-1 at a consideration of HK\$11,500,000
“Remaining Units”	4 units of the FW Building which are: (1) units A1, C1 of ground floor; (2) unit D of 2nd floor; and (3) unit A of 5th floor
“Seller(s)”	New Iris Properties (Hong Kong) Limited and/or Chan Kwong Nam
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Shares
“sq.ft.”	square feet

DEFINITIONS

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Treasure Arts” or “Purchaser”	Treasure Arts International Group Limited, a company incorporated in the British Virgin Islands and an indirect wholly-owned subsidiary of Company, which is the purchaser of the Agreements
“Unit-1”	workshop A, 1/F of the FW Building, shares 4/120th undivided shares of the entire FW Building
“Unit-2”	workshop D, ground floor of the FW Building, shares 6/120th undivided shares of the entire FW Building

LETTER FROM THE BOARD



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

29 September 2017

To the Shareholders

Dear Sir or Madam,

MAJOR TRANSACTION

ACQUISITION OF PROPERTIES

INTRODUCTION

Reference was made to the Company's announcement dated 16 August 2017. The Directors announced that a SP Agreement and a Provisional Agreement were entered into between Treasure Arts, an indirect wholly-owned subsidiary of the Company, as purchaser, and the respective Sellers, pursuant to which, the Purchaser conditionally agreed to acquire and the Sellers agreed to sell the Properties at a total consideration of HK\$81,300,000.

PRINCIPAL TERMS OF THE SP AGREEMENT

Date	:	14 August 2017
Purchaser	:	Treasure Arts
Seller	:	New Iris Properties (Hong Kong) Limited

LETTER FROM THE BOARD

To the best of the Directors' knowledge, information and belief, and after having made all reasonable enquiries, New Iris Properties (Hong Kong) Limited is an investment holding company incorporated in Hong Kong with limited liability and its ultimate beneficial owners are Independent Third Part(ies).

Assets

Pursuant to the SP Agreement, the Purchaser has conditionally agreed to purchase the Unit-1 from New Iris Properties (Hong Kong) Limited, the Seller. The Seller is the registered owner of the Unit-1 with a total saleable area of approximately 1,910 sq.ft. and shall be sold to the Purchaser on "as-is" basis and with a tenancy upon completion.

The Unit-1 is currently on lease for HK\$33,000 per month (inclusive of government rates, government rent and management fees, exclusive of other outgoings), amount of deposit held under the tenancy agreement was HK\$99,000 and currently used for retail purpose. The tenancy commenced on 1 January 2017 and shall expire on 31 December 2018. Details of the tenancies are set out in Appendix II to this circular.

The Company tried to obtain financial information about the Remaining Unit required by the Listing Rules and approached the Seller of Unit-1. However, despite request made by it and its legal advisers to the Seller of Unit-1 and its lawyers and the incorporated owners of the FW Building, the Company has been unable to gain full access to the underlying books and records and the Seller only provides the stamped tenancy agreements.

As the Company intends to redevelop the FW Building, so the historical information of this nature is irrelevant and of no benefits to the Shareholders. Therefore the Company has applied for the waiver for strict compliance with Listing Rules 14.67(6)(b)(i) and the same was granted by the Stock Exchange.

Payment Method

The consideration for the Unit-1 is HK\$11,500,000 which shall be paid in cash in the following manners:

1. an initial deposit in the sum of HK\$1,150,000 has been paid to the Seller upon the signing of the SP Agreement; and
2. the balance of HK\$10,350,000 shall be paid to the Seller upon completion, which is scheduled to take place on or before 14 November 2017.

Based on the tenancy agreement, gas and electricity charges are borne by the tenant of the Unit-1. Management fees, government rates and rent and property tax levied on the Unit-1 are borne by the landlord of the Unit-1.

LETTER FROM THE BOARD

PRINCIPAL TERMS OF THE PROVISIONAL AGREEMENT

Date : 15 August 2017

Purchaser : Treasure Arts

Seller : Chan Kwong Nam

To the best of the Directors' knowledge, information and belief, and after having made all reasonable enquiries, Chan Kwong Nam is an Independent Third Party.

Assets

Pursuant to the Provisional Agreement, the Purchaser has conditionally agreed to purchase the Unit-2 from Chan Kwong Nam, the Seller. The Seller is the registered owner of the Unit-2 with a total saleable area of approximately 1,637 sq.ft. and shall be sold to the Purchaser on "as-is" basis.

Payment Method

The consideration for the Unit-2 is HK\$69,800,000 which shall be paid in cash in the following manners:

1. an initial deposit in the sum of HK\$2,000,000 has been paid to the Seller upon the signing of the Provisional Agreement;
2. a further deposit in the sum of HK\$4,980,000 has been paid to the Seller upon the signing of the formal sale and purchase agreement on 30 August 2017; and
3. the balance of HK\$62,820,000 shall be paid to the Seller upon completion, which is scheduled to take place on or before 15 November 2017.

The above Seller is licensed to occupy the Unit-2 free of rental for 14 months after the date of completion of sale scheduled on 15 November 2017 ("**Licence Period**"). During this period, the above Seller is responsible for the payment of management fees (if any) and government rates and rent. The Unit-2 will be delivered with vacant possession on or before 15 January 2019.

Condition Precedent

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

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

LETTER FROM THE BOARD

Consideration

Both the consideration of Unit-1 and Unit-2 were determined after arm's length negotiations between Treasure Arts and the respective Sellers. When determining the consideration of each unit, the management of the Company has taken into account of the following factors including but without limitation to:

1. 3 types of valuation as mentioned in the valuation report in Appendix IV to this circular:
 - (a) aggregate market value in the existing state of the Properties is HK\$32,450,000;
 - (b) the aggregate existing use value of the existing site is HK\$363,140,000;
 - (c) the redevelopment value, that is site value with vacant possession of the FW Building's site is HK\$683,000,000 ("**VP Valuation**"); and
 - (d) the apportioned site value with vacant possession of the Properties with existing use value of the FW Building being HK\$61,400,000 ("**APD Valuation**"). The APD Valuation refers to the calculation of the existing use valuation of the Properties to the entire FW Building against the VP Valuation (ie. $\text{HK}\$(32,450,000/363,140,000) \times \text{HK}\$683,000,000$).
2. the unit rate of the comparable transactions are in the range of about HK\$3,916 psf to HK\$4,938 psf for upper floor workshop; and about HK\$33,603 psf to HK\$50,120 psf for ground floor units;
3. the consulting of Vigers Appraisal and Consulting Limited, the professional property valuer, the fair value of the rental income of the Unit-2 during the Licence Period which is exclusive of government rates, government rent, air conditioning charges, management fee or any other outgoings is HK\$58,500 per month, i.e. HK\$819,000 during the Licence Period ("**Rental Income Fair Value**"). Details of the Rental Income Fair Value is disclosed on page III-3;
4. 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;
5. the Group owns 26 units out of 32 units of the FW Building which represents 80% of the undivided shares of the FW Building;
6. the future development potential to be a high rise composite commercial building;
7. the prevailing market prices of the properties of similar nature available in the localities;
8. the current Hong Kong property market sentiment; and
9. the Company's available funds.

LETTER FROM THE BOARD

The Directors have taken into account the above factors and noted that though the unit price of the Unit-1 (ie. HK\$6,020) is higher than the comparables of the upper floor workshop, the Company noted that the purchase price is in the trend of redevelopment value and therefore in the opinion of the Directors, the redevelopment value of the Properties reflects the existing market conditions and the real market value of the Properties. In addition, the Directors believes that the redevelopment value shall not be less than the VP Valuation because its prime location and its potential for composite commercial redevelopment, therefore the Directors has a view that the Acquisitions is in the interests of the Group and is on normal commercial terms, which is fair and reasonable and in the interests of the Group and the Shareholders as a whole.

The Group will fund the Acquisitions from internal resources which is earmarked for the acquisition of the properties of FW Building and/or bank facilities.

REASONS FOR AND BENEFITS OF THE ACQUISITIONS

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.

As at the Latest Practicable Date, the Group via its subsidiaries, owned FW Properties i.e. 26 units (including a AP common part) of the FW Building shares 96/120th undivided shares of the entire FW Building which represents 80% of the undivided shares of FW Building. The Acquisitions will enable the Group to expand the property development segment.

Upon completion of the Acquisitions, scheduled in November 2017, the Group shall be the owner of 28 units of the FW Building shares 106/120th undivided shares of the entire FW Building which represents 88.33% of the undivided shares of the FW 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 FW Building for the purpose of redevelopment.

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

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

As at the Latest Practicable Date, the Company has made known to the owners of the Remaining Units that the Company has intention to purchase the Remaining Units. The Company shall make its best effort to conclude the sale and purchase with the owners of the Remaining Units at a price with reference to comparables and the indication of the

LETTER FROM THE BOARD

valuation provided by an independent valuer from time to time. The Company shall make application to the Lands Tribunal for an order to sell the undivided shares of the FW Building site for redevelopment purpose at the time when any of the owners are asking the purchase price which is unreasonable and much higher than the comparables and the indication of the valuation. As at the Latest Practicable Date, the Company does not have a concrete timing to submit the application under the Ordinance as it depends on the success level in the ongoing negotiations with the owners of the Remaining Units; and the sentiment in the property market for redevelopment in terms of the global and economic environmental factors such as government measures, interest rates, land sale results and the climate on property markets.

PROCEDURES IN REDEVELOPMENT UNDER THE ORDINANCE

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

Under section 5(1) of the Ordinance, where a Sale Order is granted, the lot shall be sold by (a) public auction, or (b) by other means agreed in writing by each minority owner and Majority Owner of the lot and approved by the Lands Tribunal. Section 5(5) of the 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 Agreements are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

FUTURE FUND RAISING EXERCISES

As at 31 July 2017, the Group had unaudited cash and cash equivalents of approximately HK\$349.5 million, of which approximately RMB48.6 million (equivalent to approximately HK\$55.7 million) is tied up in the PRC as investment capital which is not practical to transfer back to Hong Kong. Of the balance of approximately HK\$293.8 million, (1) approximately HK\$49.7 million has been earmarked for the acquisition of the Matheson

LETTER FROM THE BOARD

Remaining Unit; (2) a total of approximately HK\$157.9 million raised from the Company's previous fund raising activities has been earmarked for the construction cost of the Project Inverness; (3) HK\$54.2 million is earmarked for the acquisition of the properties of FW Building; and (4) the remaining balance of HK\$32.0 million shall be applied for the general working capital of the Group.

As at 31 July 2017, the Group's bank borrowings amounted to approximately HK\$810.8 million and the gearing ratio of the Group as a ratio to bank borrowings to total equity, is 0.33.

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 ACQUISITIONS

Earnings

As rental income will be generated from the Unit-1, based on the rental income generated for the year ended 31 March 2017, the acquisition of the Unit-1 will generate approximately HK\$363,000 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 Acquisitions is that (i) properties held for development for sale by the Group will increase by approximately HK\$95.2 million; (ii) cash reserve will decrease by approximately HK\$94.9 million and (iii) trade and other payables will increase by approximately HK\$0.8 million.

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

INFORMATION ON THE GROUP AND THE PURCHASER

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

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

LETTER FROM THE BOARD

SGM

The Acquisitions 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 Acquisitions.

A notice convening the SGM to be held on Monday, 23 October 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 Acquisitions 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, 18 October 2017 to Monday, 23 October 2017, both days inclusive. During such 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 Tuesday, 17 October 2017.

RECOMMENDATION

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

ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendices to 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:

For the year ended	Publication date of annual report	Pages
31 March 2017 <i>http://www.hkexnews.hk/listedco/listconews/SEHK/2017/0615/LTN20170615234.pdf</i>	15 June 2017	74 – 192
31 March 2016 <i>http://www.hkexnews.hk/listedco/listconews/SEHK/2016/0715/LTN20160715298.pdf</i>	15 July 2016	61 – 157
31 March 2015 <i>http://www.hkexnews.hk/listedco/listconews/SEHK/2015/0721/LTN20150721049.pdf</i>	21 July 2015	60 – 145

2. WORKING CAPITAL

The Directors are of the opinion that, after taking into account the Acquisitions 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 August 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\$810 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 August 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 annual report of the Company for the year ended 31 March 2017, the Group will continue focusing its efforts in the development of its exiting principal businesses: (1) property investment; (2) property development; (3) securities investment; (4) loan financing business and other potential projects with a view to providing steady returns for its shareholders and bring fruitful growth to the Group.

In Hong Kong, despite additional measures imposed by the government to cool the housing market, the impact on the property market was only short-lived. With the prevailing low interest rates and the record of high transacted land prices in the recent land auctions, sentiment in the primary property market has been holding up well, with home buyers' confidence remaining generally strong.

In addition, the Group will further extend its principal business and direct its resources to loan financing services and it is expected that such business will continue to be part of the main income stream of the Group.

Meanwhile, we will also maintain a stringent financial policy and a prudent cash flow management to ensure reasonable liquidity for the Group's operations as well as for its existing and future investments.

The Directors believe that, in such a volatile economic environment, these operation strategies will enable the Group to maintain its competitiveness and mitigate risks, thereby ensuring the Group sustainable growth.

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 2017, 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 placing agreement dated 3 July 2017 entered into between the Company and Get Nice Securities Limited, as the placing agent, to place 325,000,000 new shares of the Company at a placing price of HK\$0.08 per share; and
- (ii) the subscription agreement dated 7 August 2017 entered into between the Company and Goodco Development Limited, a wholly-owned subsidiary of Easyknit International Holdings Limited (“**Easyknit**”), relating to the issuing of a 3% per annum coupon rate of a convertible note for a principal amount of HK\$28,200,000 having conferring rights to convert Shares on the basis of the conversion price of HK\$0.06 per share till 2020.

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 workshop A, 1/F of the FW Building (“**Leased Property**”) 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 Leased Property. Other than such limited information, despite requests made by the Company’s legal adviser in this transaction, the Company is unable to gain full access to the underlying books and records or other financial information of the seller of the Leased Property (“**Unit-1 Seller**”) regarding the direct costs and other expenses for the preparation of the financial information of the Leased Property 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 Property 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 Unit-1 Seller. Accordingly, it may not give a true picture of the performance of the Leased Property during the Relevant Financial Years.

	For the year ended 31 March		
	2017	2016	2015
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Rental income	363	396	343

Notes:

- The rental income for the Relevant Financial Years is derived from the Tenancy Agreements.
- Based on the Tenancy Agreements, gas, electricity and water charges and telephone were borne by the tenant of the Leased Property. Government rates and rent, management fees and property tax are borne by the landlord.
- 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\$41,199, HK\$47,520 and HK\$43,560 for the financial year ended 31 March 2015, 2016 and 2017 respectively.
- Pursuant to the Tenancy Agreements, the stamp duty incurred for the financial year ended 31 March 2015, 2016 and 2017 were HK\$992.5, nil and HK\$951.5 respectively.
- Pursuant to the information provided by the incorporated owners of FW Building, the management fees of the Leased Property for the financial year of 2015 was HK\$9,600, and none for 2016 and 2017.
- 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 Property. 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 Property 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.

7. Save for the information that the Company could not obtain from the Unit-1 Seller, the financial information of the Leased Property set out above is prepared using accounting policies which are materially consistent with those of the Company.
8. 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 of the Leased Property 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 of the Leased Property which was prepared by the management of the Company 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 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 of the Leased Property for each of the three years ended 31 March 2017 to be arithmetically accurate.
- b. With respect to procedure ii, Deloitte found that the total amounts of rental income of the Leased Property for each of the three years ended 31 March 2017 as shown in the rental income summary to be 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 tenancy periods and monthly rental amounts as shown in the rental income listing of the Leased Property to be 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 or the 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.

9. 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 PROPERTIES

No valuation of the Properties 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 Sellers. The valuation on the Properties as at 22 August 2017 is set out in Appendix IV to this circular.

A. UNAUDITED PRO FORMA STATEMENT OF ASSETS AND LIABILITIES

Introduction

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 Acquisitions as if the Acquisitions had taken place on 31 March 2017.

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 Acquisitions been completed as at 31 March 2017 or at any future date.

Unaudited Pro Forma Statement of Assets and Liabilities

	The Group				Pro forma total for the Group
	as at 31 March 2017	Pro forma adjustments			
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Audited)				(Unaudited)
	<i>(Note 1)</i>	<i>(Note 2)</i>	<i>(Note 3)</i>	<i>(Note 4)</i>	
Non-current assets					
Property, plant and equipment	3,616	—	—	—	3,616
Investment properties	1,320,369	—	—	—	1,320,369
Loans receivable	44,326	—	—	—	44,326
Available-for-sale investments	158,541	—	—	—	158,541
	<u>1,526,852</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>1,526,852</u>

	The Group as at 31 March 2017 HK\$'000 (Audited) (Note 1)	Pro forma adjustments				Pro forma total for the Group HK\$'000 (Unaudited)
		HK\$'000 (Note 2)	HK\$'000 (Note 3)	HK\$'000 (Note 4)	HK\$'000	
Current assets						
Properties held for development for sale	1,035,792	94,378	819	—	1,130,989	
Deposits and prepayments for acquisition of properties held for development for sale	12,791	—	—	—	12,791	
Trade and other receivables	40,171	—	—	—	40,171	
Loans receivable	220,069	—	—	—	220,069	
Investments held for trading	4,505	—	—	—	4,505	
Other financial assets	53,980	—	—	—	53,980	
Bank deposits with original maturity of more than three months	103,606	—	—	—	103,606	
Bank balances and cash	409,884	(94,378)	—	(500)	315,006	
	<u>1,880,798</u>	<u>—</u>	<u>819</u>	<u>(500)</u>	<u>1,881,117</u>	
Current liabilities						
Trade and other payables	48,712	—	819	—	49,531	
Tax payable	9,430	—	—	—	9,430	
Convertible notes	81,981	—	—	—	81,981	
Secured bank borrowings	420,400	—	—	—	420,400	
	<u>560,523</u>	<u>—</u>	<u>819</u>	<u>—</u>	<u>561,342</u>	
Net current assets	<u>1,320,275</u>	<u>—</u>	<u>—</u>	<u>(500)</u>	<u>1,319,775</u>	
Total assets less current liabilities	<u>2,847,127</u>	<u>—</u>	<u>—</u>	<u>(500)</u>	<u>2,846,627</u>	
Non-current liabilities						
Convertible notes	13,820	—	—	—	13,820	
Deferred tax liabilities	21,854	—	—	—	21,854	
Secured bank borrowings	359,300	—	—	—	359,300	
	<u>394,974</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>394,974</u>	
Net assets	<u>2,452,153</u>	<u>—</u>	<u>—</u>	<u>(500)</u>	<u>2,451,653</u>	

Notes to the unaudited pro forma statement of assets and liabilities:

1. The figures are extracted from the audited consolidated statement of financial position of the Group as at 31 March 2017 as set out in the published annual report of the Company for the year ended 31 March 2017.
2. The adjustment represents (i) the Acquisitions for a total cash consideration of HK\$81,300,000 with the intention of property redevelopment with a view to sale; and (ii) the incurrence of expenses directly attributable to the Acquisitions of approximately HK\$13,078,000, including non-refundable portion of Ad Valorem Stamp Duty of approximately HK\$6,796,000 and commission fee of HK\$6,282,000. The Group will settle the above consideration and directly attributable expenses by cash.
3. Pursuant to the Provisional Agreement, the seller of the Unit-2 (the “**Unit-2 Seller**”) is licensed to occupy the Unit-2 free of rental for 14 months after the completion of sale of the Unit-2 to the Group scheduled on 15 November 2017 (the “**Licence Period**”). The Directors, after consulting Vigers Appraisal and Consulting Limited, a firm of professional property valuers not connected with the Group, determine that as at the Latest Practicable Date the fair value of the rental income of the Unit-2 during the Licence Period, which is exclusive of government rates, government rent, air conditioning charges, management fee or any other outgoings (the “**Rental Income Fair Value**”), is HK\$58,500 per month, i.e. HK\$819,000 during the Licence Period. The adjustment represents the Rental Income Fair Value as at the Latest Practicable Date which is accounted for as part of the consideration, in addition to the cash consideration of HK\$69,800,000, for acquisition of the Unit-2. There is no certainty that the Rental Income Fair Value at the completion date of the Unit-2 is the same amount of HK\$819,000. Any change in this amount will affect the total consideration for the Acquisitions and the deferred rental income included in “trade and other payables” which will be recognised in profit or loss on a straight-line basis over the Licence Period.
4. The adjustment represents payment of the estimated transaction costs attributable to this circular of approximately HK\$500,000.
5. No adjustments have been made to reflect any trading results or other transactions of the Group entered into subsequent to 31 March 2017.

**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****INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT
ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL
INFORMATION****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 31 March 2017 and related notes as set out in Section A of Appendix III to the circular issued by the Company dated 29 September 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 2 units of Fung Wah Factorial Building situated at No. 646, 648 & 648A Castle Peak Road, Kowloon, Hong Kong (the “**Acquisitions**”) on the Group’s financial position as at 31 March 2017 as if the Acquisitions had taken place at 31 March 2017. As part of this process, information about the Group’s financial position has been extracted by the Directors from the Group’s consolidated financial statements for the year ended 31 March 2017, on which an auditor’s report 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 event or transaction at 31 March 2017 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
29 September 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 as at 22 August 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

www.vigers.com



29 September 2017

The Board of Directors

Eminence Enterprises Limited

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

Nos. 481-483 Castle Peak Road,

Cheung Sha Wan, Kowloon, Hong Kong

Dear Sirs,

Re: Workshop A on 1st Floor and Workshop D on Ground Floor, Fung Wah Factorial Building, 646, 648 & 648A Castle Peak Road, Kowloon, Hong Kong (“Property”)

In accordance with your instruction for us to value the Property to be acquired by an indirect wholly-owned subsidiary of “Eminence Enterprises Limited” (referred to as “**Company**” and collectively referred to as “**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 22 August 2017 (“**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” (“**HKIS**”), “RICS Valuation — Global Standards 2017” published by the “Royal Institution of Chartered Surveyors” (“**RICS**”), relevant provisions in the Companies Ordinance and the “Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited” (Main Board) published by “The Stock Exchange of Hong Kong Limited” (“**HKEx**”).

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. Jeff M.C. Liu BSc(Hons) on 22nd August 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-use rights, 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 certificates 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 facts have 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 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
Workshop Spaces D on Ground Floor and Workshop Spaces A on 1st Floor, Fung Wah Factory Building, Nos. 646, 648, 648A Castle Peak Road, Kowloon, Hong Kong	Completed in 1970, Fung Wah Factory Building (“the “Development” ”) is located at the junction of Castle Peak Road and Tai Nan West Street in Cheung Sha Wan district of Kowloon.	According to the information provided by the Group, Workshop Space A on 1st Floor of the property is let for a term of 2 years commencing on 1st January 2017 and expiring on 31st December 2018 at a monthly rent of HK\$33,000 inclusive of Government Rent, Rates and management fee; whilst Workshop Space D on Ground Floor of the Property is currently owner-occupied.	<p>i. The existing use value of the Property subject to the existing tenancy for tenanted portion and assuming sale with benefit of immediate vacant possession for owner-occupied portion is HK\$32,650,000 only.</p> <p>ii. The aggregate existing use value of the existing development is HK\$363,140,000</p> <p>iii. The site value attributable to the Property is HK\$61,400,000 only.</p> <p>iv. The site value of the 100% interests of the Lot with vacant possession is HK\$683,000,000 only.</p>
All those 5/60th shares or parcels of ground known and registered at the Land Registry as in The Remaining Portion of Section A of New Kowloon Inland Lot No. 2213, Section D of New Kowloon Inland Lot No. 2213, The Remaining Portion of New Kowloon Inland Lot No. 2213 and Section E of New Kowloon Inland Lot No. 2213.	<p>The Development comprises a 7-storey industrial building.</p> <p>The Property comprises 2 workshop units on the with a total saleable area of approximately 329.5274 square metres (or 3,547 square feet). The breakdown of areas of the Property is listed in Note 3 below.</p> <p>The Development is erected on a site with a registered area of 855.2198 square metres (9,205.50 square feet) including a scavenging lane with an area of 63.1741 square metres (680 square feet) approximately.</p>		

The Property	Description and Tenure	Occupancy Status	Market Value in Existing State as at the Valuation Date
	<p>The Development is held under Government Lease for a term of 75 years from 1st July 1898 renewed for a further lease term of 24 years 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 then Rateable Value is charged per annum from the date of extension.</p>		

Note:

- Pursuant to the recent land registration record, the current registered owners of the Property are listed as below:

Property	Registered Owner and Last Transaction
Workshop Space D on G/F	CHAN KWONG NAM
Workshop Space A on 1/F	NEW IRIS PROPERTIES (HONG KONG) LIMITED

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

Property	Encumbrances
Workshop Space D on G/F	<ol style="list-style-type: none"> <li data-bbox="638 372 1372 436">1. Deed of Covenant vide Memorial No. UB751468 dated 6th July 1970; <li data-bbox="638 468 1372 595">2. Sealed Copy Judgement in favour of Chau Yan Chi Catherine (Plaintiff) and The Incorporated Owners of Fung Wah Factorial Building (Defendant) vide Memorial No. 14090800830013 dated 22nd July 2014 (Remarks: under DCCJ 1459/2014); <li data-bbox="638 627 1372 723">3. Wavier Letter from the Government of the HKSAR by The District Land Officer/Kowloon West vide Memorial No. UB9140119 dated 3rd February 2004; <li data-bbox="638 755 1372 883">4. Sealed Copy Judgement in favour of Chau Yan Chi Catherine (Plaintiff) and The Incorporated Owners of Fung Wah Factorial Building (Defendant) vide Memorial No. 1409080030013 dated 22nd July 2014 (Remarks: Under DCCJ 1459/2014); <li data-bbox="638 915 1372 1010">5. Order No. UBCSI/06-23/0025/11 under Section 24(1) of The Building Authority for Common Part(s) only vide Memorial No. 16051600750541 dated 19th February 2013; <li data-bbox="638 1042 1372 1170">6. Conditional Provisional Agreement Sale and Purchase by Chau Yan Chi Catherine in favour of Treasure Arts International Group Limited for a consideration of \$4,150,000.00 vide Memorial No. 16071400160013 dated 8th June 2016; <li data-bbox="638 1202 1372 1330">7. Agreement for Sale and Purchase by Chau Yan Chi Catherine in favour of Treasure Arts International Group Limited for a consideration of \$4,150,000.00 vide Memorial No. 16071400160011 dated 17th June 2016; <li data-bbox="638 1361 1372 1489">8. Assignment by Chau Yan Chi Catherine in favour of Treasure Arts International Group Limited for a consideration of \$4,150,000.00 vide Memorial No. 16090100120018 dated 5th August 2016
Workshop Space A on 1/F	<ol style="list-style-type: none"> <li data-bbox="638 1532 1372 1596">1. Deed of Covenant vide Memorial No. UB751468 dated 6th July 1970; <li data-bbox="638 1627 1372 1723">2. Tripartite Legal Charge/Mortgage to secure certain Banking Facilities in favour of Standard Chartered Bank for all monies vide Memorial No. UB8663718 dated 28th March 2002; <li data-bbox="638 1755 1372 1849">3. Order No. UBCSI/06-23/0021/11 under Section 24(1) of The Building Ordinance by Building Authority vide Memorial No. 16051600750508 dated 19th February 2013;

Property**Encumbrances**

4. Order No. UBCSI/06-23/0025/11 under Section 24(1) of The Building Ordinance by Building Authority for Common Part(s) only vide Memorial No. 16051600750541 dated 19th February 2013;
 5. Sealed Copy Judgement in favour of Chau Yan Chi Catherine (Plaintiff) and The Incorporated Owners of Fung Wah Factorial Building (Defendant) vide Memorial No. 1409080030013 dated 22nd July 2014 (Remarks: Under DCCJ 1459/2014);
 6. Conditional of Provisional Agreement Sale and Purchase by Chau Yan Chi Catherine in favour of Treasure Arts International Group Limited for a consideration of \$4,150,000.00 vide Memorial No. 16071400160013 dated 8th June 2016;
 7. Agreement for Sale and Purchase by Chau Yan Chi Catherine in favour of Treasure Arts International Group Limited for a consideration of \$4,150,000.00 vide Memorial No. 16071400160011 dated 17th June 2016;
 8. Assignment by Chau Yan Chi Catherine in favour of Treasure Arts International Group Limited for a consideration of \$4,150,000.00 vide Memorial No. 16090100120018 dated 5th August 2016
3. As measured from registered floor plans, the areas of the Property are tabulated as below:

Property	Saleable Area	Ancillary Area	Remarks
Workshop Space D on G/F	152.0824 square metres or 1,637 square feet	12.0774 square metres or 130 square feet	(Yard)
Workshop Space A on 1/F	177.4450 square metres or 1,910 square feet	Not applicable	

4. The Development is located at the junction of Castle Peak Road and Tai Nan 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 with 5 minutes' walk away from the Property.
5. The Government Lease of New Kowloon Inland Lot No. 2213 was granted originally for factory for manufacture of soy ginger sauce preserved fruits or vegetables or Chinese sweetmeats. The subject sections of the Lot were subsequently varied and modified for general industrial uses by two Modification Letters registered vide Memorial Nos. UB283108 and UB279424 dated 22 March 1958 and 24 March 1958 respectively.

By wavier letter from the government of the HKSAR by the District Lands Officer/Kowloon West dated 3rd February 2004, Workshop Space D on Ground Floor of the Development was granted a waiver for an area of 19.5400 square metres (or 210 square feet) for the purpose ancillary office and together with a total area of 125.9800 square metres (or 1,356 square feet) for the purpose of storage; an area of 24.0200 square metres (or 210 square feet) for the purpose of showroom. This wavier was initial for a term of three years from 24th July 2003 and thereafter quarterly until time as the wavier is terminated or revoked pursuant to the conditions stipulated in the wavier letter.

6. The property falls within an area zoned “Other Specified Uses (Business 1)” on Approved Cheung Sha Wan Outline Zoning Plan No. S/K5/37 (“**the Outline Zoning Plan**”) dated 6th December 2016. According to the explanatory note attached to the Outline Zoning Plan, on land designated “Other Specified Uses (Business 1)”, 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.
7. 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\$3,916 to HK\$4,938 per square foot for upper floor workshop units. Comparables of the ground floor units with temporary waiver are however scarce. We have taken into consideration the newly built development, W668 at Castle Peak Road. Industrial units of Ground Floor together with 1st Floor in W688 could fetch a price of HK\$33,603 to HK\$50,120 per square foot. Our valuation falls within these ranges.

8. In assessing the site value attributable to the Property, we have apportioned the 100% site value in accordance with the proportion of the existing value of the Property to the total existing value of all the units in the Development currently erected on the Lot, which is assessed to be HK\$363,140,000 only. No allowance has been given to the possible costs, which are required for the amalgamation of the 100% shares of the subject lots either by private negotiation or by the compulsory sale order under Land (Compulsory Sale For Redevelopment) Ordinance Cap 545.
9. We note that Notice Nos. UBCSI/06-23/0021/11 and UBCSI/06-23/0025/11 by The Building Authority under S.24(1) of The Buildings Ordinance was registered against the Property. In the course of our valuation, we have assumed the aforesaid Notices have 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	123,480,281	580,810,973	25.97%

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. 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 123,480,281 underlying Shares, of which 100,880,281 are the underlying Shares of 2014CB and 2017CB 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	0.51%

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
Lui Yuk Chu	<i>i, ii and iii</i>	Beneficial owner	457,330,692	123,480,281	580,810,973	25.97%
Koon Wing Yee	<i>i</i>	Interest of spouse	457,330,692	123,480,281	580,810,973	25.97%
Landmark Profits	<i>i & ii</i>	Beneficial owner	93,549,498	—	93,549,498	4.18%
Goodco	<i>i & ii</i>	Beneficial owner	363,781,194	100,880,281	464,661,475	20.77%
Easyknit	<i>i & ii</i>	Interest of controlled corporation	457,330,692	100,880,281	558,210,973	24.96%

Name of Shareholder	Note	Capacity	Number of Shares held (long position)	Number of underlying Shares held	Total	Approximate percentage of interest
Magical Profits	<i>i & ii</i>	Interest of controlled corporation	457,330,692	100,880,281	558,210,973	24.96%
Accumulate More Profits Limited	<i>i</i>	Interest of controlled corporation	457,330,692	100,880,281	558,210,973	24.96%
Winterbotham Trust	<i>i & iii</i>	Trustee	457,330,692	100,880,281	558,210,973	24.96%
Winterbotham Holdings Limited	<i>iii</i>	Interest of controlled corporation	457,330,692	100,880,281	558,210,973	24.96%
Markson International Holdings Limited	<i>iii</i>	Interest of controlled corporation	457,330,692	100,880,281	558,210,973	24.96%
Christopher Geoffrey Douglas Hooper	<i>iii</i>	Interest of controlled corporation	457,330,692	100,880,281	558,210,973	24.96%
Ivan Geoffrey Douglas Hooper	<i>iii</i>	Interest of controlled corporation	457,330,692	100,880,281	558,210,973	24.96%
Madian Star Limited		Beneficial owner	—	537,500,000	537,500,000	24.03%
Hu Rong		Beneficial owner	256,000,000	—	256,000,000	11.44%
Able Merchant Limited		Beneficial owner	152,222,222	—	152,222,222	6.81%

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. Goodco is also interested in 100,880,281 underlying Shares (subject to adjustment) to be issued upon the full conversion of the 2014CB and 2017CB. 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, 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 123,480,281 underlying Shares, of which 100,880,281 are the underlying Shares of 2014CB and 2017CB 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) Ms. Lui Yuk Chu, being Director, is also director of Landmark Profits, Goodco, Easyknit, Sea Rejoice Limited and Magical Profits.
- (iii) 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 2017 (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

The following contracts, not being contracts in the ordinary course of business carried on by the Group, were entered into by the Group within 2 years immediately preceding the date of this circular which are or may be material:

- (a) 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;
- (b) 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;
- (c) the subscription agreement dated 1 March 2017 entered into between the Company and Goodco, a wholly-owned subsidiary of Easyknit, relating to the issuing of a 3% per annum coupon rate 2017 convertible note 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;

- (d) the second deed of amendments dated 1 March 2017 relating to the revision of the terms of 2015 convertible note by revising the conversion price to HK\$0.16 and extend the exercise period to 2022;
- (e) the placing agreement dated 3 July 2017 entered into between the Company and Get Nice Securities Limited, as the placing agent, to place 325,000,000 new shares of the Company at a placing price of HK\$0.08 per share; and
- (f) the subscription agreement dated 7 August 2017 entered into between the Company and Goodco, a wholly-owned subsidiary of Easyknit, relating to the issuing of a 3% per annum coupon rate convertible note for a principal amount of HK\$28,200,000 having conferring rights to convert Shares on the basis of the conversion price of HK\$0.06 per Share till 2020.

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 are the qualifications of the experts who are named in this circular or have given their opinions or advices which are contained in this circular:

Name	Qualification
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 2017 (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 2015, 2016 and 2017;
- (c) 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;
- (d) the valuation report prepared by Vigers Appraisal and Consulting Limited, the text of which is set out in Appendix IV to this circular;
- (e) the letters of consent referred to in the paragraph headed "Experts and consents" in this appendix;
- (f) the material contracts referred to the paragraph headed "Material contracts" in this appendix;
- (g) 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
- (h) this circular.

NOTICE OF SPECIAL GENERAL MEETING



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 (“**Meeting**”) of Eminence Enterprise Limited (高山企業有限公司) (“**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, 23 October 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 sale and purchase agreement and provisional sale and purchase agreement dated 14 August 2017 and 15 August 2017 respectively entered into by the Treasure Arts International Group Limited, the subsidiary of the Company, as the purchaser and the respective sellers in relation to the sale and purchase of the workshop A, 1st floor and workshop D, ground floor of Fung Wah Factorial Building, Nos. 646, 648, 648A Castle Peak Road, Kowloon, Hong Kong (“**Acquisitions**”) for a total consideration of HK\$81,300,000; 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 Acquisitions and the transactions contemplated thereunder and to agree to such variations of the terms of the Acquisitions 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, 29 September 2017

NOTICE OF SPECIAL GENERAL MEETING

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, 18 October 2017 to Monday, 23 October 2017 (both dates inclusive), during such 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 Tuesday, 17 October 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.