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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 -
PROPOSED ACQUISITION OF PROPERTIES ON
NOS. 93 AND 95 CATCHICK STREET, HONG KONG**

BACKGROUND

On 6 April 2020 (after trading hours), the Buyer entered into the Agreement for Sale and Purchase with the Seller, pursuant to which, amongst other things, the Buyer conditionally agreed to buy and take up, and the Seller conditionally agreed to sell and assign, the Sale Shares of Nice Able and the Shareholder's Loan at the Consideration subject to the terms and conditions of the Agreement for Sale and Purchase.

Pursuant to the Success Mark Sale Share Agreement and the Property Purchase Agreements, Nice Able is committed to acquire the entire issued share capital of Success Mark and its loan and the Catchick Street Properties respectively. Upon completion of acquisition of Success Mark and the Catchick Street Properties, the Group will own 100% of No. 93 Building and approximately 83.33% of No. 95 Building respectively.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Acquisition exceeds 25% but is less than 100%, the Acquisition constitutes a major transaction of the Company and is therefore subject to the reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

GENERAL

A circular containing, among other things, (i) further details of the Acquisition; (ii) financial information on the Enlarged Group; (iii) an independent property valuation report on the Sites, the Success Mark Property and the Catchick Street Properties; and (iv) a notice convening the SGM is expected to be despatched to the Shareholders on or before 29 April 2020.

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THE AGREEMENT FOR SALE AND PURCHASE

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|---------------|---|-----------------------------------------------------------------------------------------------------------------|
| Date | : | 6 April 2020 |
| Buyer | : | Success Edge Limited, a wholly-owned subsidiary of the Company |
| Seller | : | Ng Kwai Tung, an individual and an Independent Third Party |
| Consideration | : | HK\$89,115,992 (Hong Kong Dollars Eighty-Nine Million One Hundred Fifteen Thousand Nine Hundred and Ninety-Two) |

Assets to be acquired

Pursuant to the Agreement for Sale and Purchase, amongst other things, the Buyer has conditionally agreed to purchase the Sale Shares of Nice Able and take up the assignment of the Shareholder's Loan from the Seller.

Nice Able

Nice Able, a company incorporated in the British Virgin Islands with limited liability, was incorporated on 2 July 2019. Pursuant to the Success Mark Sale Share Agreement, Nice Able is committed to acquire the entire issued share capital of Success Mark (the registered and beneficial owner of the Success Mark Property) and a loan to it; and according to the Property Purchase Agreements, Nice Able is committed to acquire the Catchick Street Properties.

The expected date of completion of each of the Success Mark Sale Share Agreement and the Property Purchase Agreements is scheduled to take place on or before 22 July 2020, except for the unit on 3/F., No. 95 Catchick Street, Hong Kong (probate in progress) that Nice Able has the right to cancel the respective Property Purchase Agreement if the grant of probate cannot be obtained by the respective Property Vendor on or before 31 December 2020.

Nice Able has no liabilities apart from (i) its Shareholder's Loan of HK\$64,115,992 owing to the Seller as at the Nice Able Completion Date; and (ii) the aggregate sum of HK\$209,750,000 remains payable to the shareholders of Success Mark under the Success Mark Sale Share Agreement and to each of the Property Vendors under the Property Purchase Agreements. These will become liabilities of the Enlarged Group on a consolidated basis after the Nice Able Completion Date.

The sums of HK\$209,750,000 in aggregate remaining payable under the Success Mark Sale Share Agreement and each of the Property Purchase Agreements will be payable in cash on or before 22 July 2020. These will be funded from internal resources of the Group and/or bank facilities.

As at the date of this announcement, the net asset value of Nice Able is HK\$8 and Nice Able did not have any net profits (before and after taxation).

Information on No. 93 Building, No. 95 Building and the Sites

No. 93 Building and No. 95 Building were completed in 1962. No. 93 Building is a 6-storey building comprising 5 residential units and 1 retail unit located at No. 93 Catchick Street, Hong Kong (also known as The Remaining Portion of Section A of Marine Lot No. 245). No. 95 Building is a 6-storey building comprising 5 residential units and 1 retail unit located at No. 95 Catchick Street, Hong Kong (also known as Sub-Section 7 of Section A of Marine Lot No. 245). The saleable areas of No. 93 Building and No. 95 Building are approximately 3,333 square feet (with ancillary area of approximately 621 square feet) and approximately 4,015 square feet (with ancillary area of approximately 704 square feet) respectively, totaling approximately 7,348 square feet (with total ancillary areas of approximately 1,325 square feet). The total registered site area of the Sites is approximately 2,182 square feet.

According to the indicative valuations from external professional valuers, Independent Third Parties, as at 3 April 2020, the value of the Sites on a redevelopment basis ranged from HK\$276,000,000 to HK\$291,000,000. According to the draft valuation from Vigers, as at 3 April 2020, the total market value of the Success Mark Property and the Catchick Street Properties was HK\$124,900,000 and the value of the Sites on a redevelopment basis was HK\$276,000,000, while the site value attributable to the Success Mark Property and the Catchick Street Properties was HK\$260,000,000.

Information on the Success Mark Property and the Catchick Street Properties

The Success Mark Property is a unit on the ground floor of No. 93 Catchick Street, Hong Kong, representing approximately 16.67% of the equal undivided shares in all that piece or parcel of ground registered in the Land Registry as The Remaining Portion of Section A of Marine Lot No. 245 and in the messuages erections and buildings thereon.

The saleable area of the Success Mark Property is approximately 593 square feet (with ancillary area of approximately 87 square feet). The registered and beneficial owner of the Success Mark Property is Success Mark.

The Catchick Street Properties contain the following units:

- (i) 1/F., 2/F., 3/F., 4/F., 5/F and Roof, No. 93 Catchick Street, Hong Kong, representing approximately 83.33% of the equal undivided shares in all that piece or parcel of ground registered in the Land Registry as The Remaining Portion of Section A of Marine Lot No. 245 and in the messuages erections and buildings thereon; and
- (ii) G/F., 1/F., 3/F., 4/F., 5/F and Roof, No. 95 Catchick Street, Hong Kong, representing approximately 83.33% of the equal undivided shares in all that piece or parcel of ground registered in the Land Registry as Sub-Section 7 of Section A of Marine Lot No. 245 and in the messuages erections and buildings thereon.

The total saleable area of the Catchick Street Properties is approximately 6,098 square feet (with ancillary area of approximately 1,238 square feet). The registered and beneficial owners of the Catchick Street Properties are the Property Vendors.

Conditions precedent

The completion of the Agreement for Sale and Purchase is conditional upon the fulfilment of the following conditions and all applicable laws on or prior to the Nice Able Completion Date:

- (1) the Agreement for Sale and Purchase and the transactions contemplated thereunder being approved by the Shareholders and all necessary approvals being obtained in compliance with the Listing Rules;
- (2) no event having occurred which in the reasonable opinion of the Buyer could be construed as being capable of preventing completion of the Property Purchase Agreements and/or the Success Mark Sale Share Agreement, or which could frustrate or make illegal or impossible the completion of the Property Purchase Agreements and/or the Success Mark Sale Share Agreement or make any of them unenforceable;
- (3) a due diligence review being carried out on Nice Able by, and having been completed to the satisfaction of, the Buyer in its sole discretion;
- (4) title investigation on the Catchick Street Properties and the Success Mark Property being carried out to the satisfaction of the Buyer; and
- (5) the Seller's solicitors providing at least seven (7) days before the Nice Able Completion Date a title report of the Catchick Street Properties and the Success Mark Property to the Buyer;

and in the event any one or more of these conditions is not fulfilled or waived, all sums paid by the Buyer to the Seller under the Agreement for Sale and Purchase shall be repaid to the Buyer within five (5) business days of the Buyer's request.

Consideration

The Consideration for the Acquisition is HK\$89,115,992, which is/shall be payable by the Buyer to the Seller in the following manner:

- (a) HK\$30,000,000 being deposit shall be paid on or before 6 April 2020 or another time as shall be agreed by the Buyer and the Seller;
- (b) HK\$41,546,000 being further deposit shall be paid on or before 16 April 2020 or another time as shall be agreed by the Buyer and the Seller;
- (c) HK\$10,000,000 being second further deposit shall be paid on or before 22 April 2020 or another time as shall be agreed by the Buyer and the Seller;
- (d) HK\$5,000,000 being third further deposit shall be paid on or before 29 April 2020 or another time as may be agreed by the Buyer and the Seller; and
- (e) HK\$2,569,992 being the balance of the Consideration, shall be payable by the Buyer to the Seller at the Nice Able Completion Date.

The Consideration was determined after arm's length negotiations between the Buyer and the Seller. When determining the Consideration, the Company has taken into account the valuation of the Success Mark Property and the Catchick Street Properties, the ownership of the Success Mark Property and the Catchick Street Properties, the location of the Success Mark Property and the Catchick Street Properties, the Shareholder's Loan, the market price of properties of similar size and usage, and the redevelopment potential of the Sites. The Company in acquiring the Sites for redevelopment also expects that there will be stamp duty refundable of approximately HK\$34,137,400 when redevelopment takes place.

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

The Board is of the view that the terms of the Acquisition are fair and reasonable and in the interests of the Company and the Shareholders as a whole because they were negotiated on arm's length terms and all sums paid by the Buyer before the Nice Able Completion Date must be repaid by the Seller if the conditions precedent are not fulfilled or waived.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Company plans to seek to acquire the Remaining Unit in order to own the entire No. 95 Building for future redevelopment. If it succeeds on acquiring the whole No. 95 Building, the Company intends to demolish No. 93 Building and No. 95 Building and redevelop the Sites into a commercial and/or residential mixed-use development to maximize the usage of the Sites.

Taking into account the above mentioned facts, the Directors are in the view that the Acquisition, the terms and conditions of the Agreement for Sale and Purchase and transactions contemplated thereunder were arrived by the parties thereto after arm's length negotiations, made on normal commercial terms and are fair and reasonable and in the interests of the Shareholders as a whole.

INFORMATION ON THE SELLER, NICE ABLE, SUCCESS MARK AND THE PROPERTY VENDORS

The Seller is an individual. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Seller is an Independent Third Party.

Nice Able is a company incorporated in the British Virgin Islands with limited liability. The principal business of Nice Able is property holdings. The Seller is the ultimate beneficial owner of Nice Able.

Success Mark is a company incorporated in Hong Kong with limited liability. The principal business of Success Mark is property holdings. The registered shareholders of Success Mark are Lai Shu Yan Anthony Derek and Kingdom (Hong Kong) Limited.

According to public records, First Resources International Limited, one of the Property Vendors, is a company incorporated in Hong Kong with limited liability. The principal business of First Resources International Limited is unknown to the Company. The ultimate beneficial owners of First Resources International Limited are individuals who are Independent Third Parties. The other Property Vendors appear to be individuals unknown to the Company.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Nice Able, Success Mark, the Property Vendors and their respective ultimate beneficial owners (where applicable) are Independent Third Parties.

INFORMATION ON THE BUYER, THE COMPANY AND THE GROUP

The Buyer, a wholly-owned subsidiary of the Company, is a company incorporated in the British Virgin Islands with limited liability. The Buyer is principally engaged in property development and investment businesses.

The Company is an investment holding company incorporated in Bermuda with limited liability, the shares of which are listed on the main board of the Stock Exchange (Stock Code: 616). The Group is principally engaged in property investment, property development, securities investment and loan financing business.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Acquisition exceeds 25% but is less than 100%, the Acquisition constitutes a major transaction of the Company and is therefore subject to the reporting, announcement and the Shareholders' approval requirements under Chapter 14 of the Listing Rules.

GENERAL

The SGM will be convened and held to consider and, if thought fit, approve the Acquisition and the transactions contemplated thereunder. A circular containing, among other things, (i) further details of the Acquisition; (ii) financial information on the Enlarged Group; (iii) an independent property valuation report on the Success Mark Property and the Catchick Street Properties; and (iv) a notice convening the SGM is expected to be despatched to the Shareholders on or before 29 April 2020.

To the best of the Directors' information, knowledge and belief having made all reasonable enquiries, no Shareholder has a material interest in the Acquisition and no Shareholder will be required to abstain from voting at the SGM.

DEFINITIONS

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

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| “Acquisition” | the acquisition by the Buyer of the Sale Shares of Nice Able and the assignment of the Shareholder's Loan from the Seller subject to the terms and conditions of the Agreement for Sale and Purchase |
| “Agreement for Sale and Purchase” | a conditional sale and purchase agreement dated 6 April 2020 entered into between the Buyer and the Seller in relation to the Acquisition |

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| “Buyer” | Success Edge Limited, a company incorporated with limited liability in the British Virgin Islands and a wholly-owned subsidiary of the Company |
| “Catchick Street Properties” | (i) the units on 1/F., 2/F., 3/F., 4/F., 5/F and Roof, No. 93 Catchick Street, Hong Kong (also known as the Remaining Portion of Section A of Marine Lot No. 245); and (ii) the units on G/F., 1/F., 3/F., 4/F., 5/F and Roof, No. 95 Catchick Street, Hong Kong (also known as Sub-Section 7 of Section A of Marine Lot No. 245) |
| “Company” | Eminence Enterprise Limited, an exempted company incorporated in Bermuda with limited liability, the shares of which are listed on the main board of the Stock Exchange (Stock Code: 616) |
| “Consideration” | HK\$89,115,992, for the purchase of the Sale Shares of Nice Able and the assignment of the Shareholder’s Loan under the Agreement for Sale and Purchase |
| “Directors” | the directors of the Company |
| “Enlarged Group” | the Group immediately after completion of the Acquisition |
| “Group” | the Company and its subsidiaries |
| “Hong Kong” | the Hong Kong Special Administrative Region of the People’s Republic of China |
| “Independent Third Party(ies)” | person(s) which, to the best knowledge and belief of the Directors having made all reasonable enquiries, is/are third parties independent of and not connected with the Company and its connected persons (as defined in the Listing Rules) |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “major transaction” | the meaning ascribed thereto in the Listing Rules |
| “Nice Able” | Nice Able Holdings Limited, a company incorporated in the British Virgin Islands with limited liability |
| “Nice Able Completion Date” | 20 July 2020, or such other date as the parties to the Agreement for Sale and Purchase may agree in writing |
| “No. 93 Building” | the building erected on No. 93 Catchick Street, Hong Kong (also known as the Remaining Portion of Section A of Marine Lot No. 245) |

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| “No. 95 Building” | the building erected on No. 95 Catchick Street, Hong Kong (also known as Sub-Section 7 of Section A of Marine Lot No. 245) |
| “Property Purchase Agreement(s)” | the provisional agreement(s) for sale and purchase of the Catchick Street Properties entered into between Nice Able and each of the Property Vendors |
| “Property Vendors” | the respective vendors of each of the Property Purchase Agreements entered into with Nice Able in relation to the sale and purchase of the respective Catchick Street Properties |
| “Remaining Unit” | the unit on 2/F., No. 95 Catchick Street, Hong Kong |
| “Sale Shares of Nice Able” | the entire issued share capital of Nice Able |
| “Seller” | Ng Kwai Tung, an individual and an Independent Third Party |
| “SGM” | the special general meeting of the Company to be convened and held for the purpose of considering and, if thought fit, approving the Acquisition |
| “Shareholder’s Loan” | the shareholder’s loan of HK\$64,115,992 owing by Nice Able to the Seller at the Nice Able Completion Date, which is interest-free and unsecured with no fixed repayment term |
| “Shares” | ordinary shares of par value HK\$0.20 each in the share capital of the Company |
| “Shareholders” | holder(s) of the Shares |
| “Sites” | the combined sites of Nos. 93 and 95 Catchick Street, Hong Kong |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Success Mark” | Success Mark Investments Limited, a company incorporated in Hong Kong with limited liability, the registered and beneficial owner of the Success Mark Property |
| “Success Mark Property” | the unit on G/F., No. 93 Catchick Street, Hong Kong |
| “Success Mark Sale Share Agreement” | the provisional agreement dated 25 March 2020 entered into between Nice Able and the shareholders of Success Mark for the sale and purchase of the entire issued share capital of and loan to Success Mark |

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| “Vigers” | Vigers Appraisal and Consulting Limited, a property valuer and an Independent Third Party |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong |
| “%” | per cent. |

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

Hong Kong, 6 April 2020

As at the date hereof, the board of directors of the Company comprises Mr. Kwong Jimmy Cheung Tim and Ms. Lui Yuk Chu as executive directors; and Mr. Kan Ka Hon, Mr. Lau Sin Ming and Mr. Wu Koon Yin Welly as independent non-executive directors.

In case of any inconsistency, the English version of this announcement shall prevail over the Chinese version.