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## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

**If you have sold or transferred** all your shares in Eminence Enterprise Limited, you should at once hand this circular together with 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)**

## MANDATE FOR POSSIBLE DISPOSAL (MAJOR TRANSACTION) IN RELATION TO THE AUCTION OF NOS. 93 AND 95 CATCHICK STREET, HONG KONG AND NOTICE OF SPECIAL GENERAL MEETING

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A letter from the Board is set out on pages 4 to 15 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 Thursday, 24 December 2020 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 it to the Company's branch share registrar and transfer office in Hong Kong, Tricor Secretaries Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as practicable but in any event not later than forty-eight (48) hours before the time appointed for holding the SGM or any adjournment thereof. 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 should you so wish and in such event, the form of proxy shall be deemed to be revoked.

Hong Kong, 4 December 2020

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*Accompanying Document – Form of Proxy*

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## DEFINITIONS

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*In this circular, unless the context otherwise requires, the following expressions have the meanings set out below:*

“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 dated 6 April 2020 entered into between the Buyer and the seller
“Agreement”	an agreement for sale and purchase dated 23 October 2020 entered into between Nice Able (as purchaser) and the Vendor’s authorized attorney, Tong Yuk Lan (as vendor) in relation to the sale and purchase of half share of the Remaining Unit
“Auction”	the public auction of the entire interest in No. 93 Building and No. 95 Building
“Board”	the board of the Directors
“Buyer” or “Success Edge”	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)
“Colliers”	Colliers International (Hong Kong) Limited, a property valuer and an Independent Third Party
“Company”	Eminence Enterprise Limited, an exempted company incorporated in Bermuda with limited liability, the shares of which are listed on the main board of the Stock Exchange (Stock Code: 616)
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“Hearing”	the hearing by the Lands Tribunal for an order for sale of No. 93 Building and No. 95 Building

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## DEFINITIONS

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“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)
“Lands Tribunal”	the Lands Tribunal established under the Lands Tribunal Ordinance (Chapter 17 of the Laws of Hong Kong)
“Latest Practicable Date”	Tuesday, 1 December 2020, being the latest practicable date prior to the printing of this circular for ascertaining certain information for inclusion in it
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“major transaction”	the meaning ascribed thereto in the Listing Rules
“Mandate for Possible Disposal”	the mandate proposed for the Possible Disposal to be granted by the Shareholders at the SGM to the Directors
“Nice Able”	Nice Able Holdings Limited, a company incorporated in the British Virgin Islands with limited liability
“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)
“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)
“Ordinance”	the Land (Compulsory Sale for Redevelopment) Ordinance (Chapter 545 of the Laws of Hong Kong)
“Possible Acquisition”	the possible acquisition of the Remaining Unit referred to in this circular
“Possible Disposal”	the possible disposal of the entire interest in all the units of No. 93 Building and No. 95 Building owned by the Group referred to in this circular

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## DEFINITIONS

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“Registered Owner(s)”	the registered owners of the Remaining Unit as recorded in the land register of the Hong Kong Land Registry being (i) Chi Ah Chiang; and (ii) Lee Sai Mee as tenants in common in equal shares
“Remaining Unit”	the unit on 2/F., No. 95 Catchick Street, Hong Kong, being approximately 8.33% of the undivided shares of No. 93 Building and No. 95 Building
“SGM”	the special general meeting of the Company to be convened and held for the purpose of considering and, if thought fit, approving the Mandate for Possible Disposal
“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
“Vendor”	Lee Sai Mee, one of the Registered Owners, is an individual and an Independent Third Party
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“sq. ft.”	square feet
“%”	per cent.

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## LETTER FROM THE BOARD

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### EMINENCE ENTERPRISE LIMITED

高山企業有限公司

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 616)**

*Executive Directors:*

Mr. Lai Law Kau

*(Chairman and Chief Executive Officer)*

Ms. Lui Yuk Chu *(Deputy Chairman)*

Mr. Kwong Jimmy Cheung Tim

*Independent Non-executive Directors:*

Mr. Kan Ka Hon

Mr. Lau Sin Ming

Mr. Wu Koon Yin Welly

*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

4 December 2020

*To the Shareholders*

Dear Sir or Madam,

**MANDATE FOR POSSIBLE DISPOSAL (MAJOR TRANSACTION)  
IN RELATION TO THE AUCTION OF  
NOS. 93 AND 95 CATCHICK STREET, HONG KONG**

**INTRODUCTION**

Reference is made to the announcement of the Company dated 30 October 2020 relating to the Possible Acquisition and the Mandate for Possible Disposal (Major Transaction) in relation to the Auction of Nos. 93 and 95 Catchick Street, Hong Kong.

The purpose of this circular is to provide you with, among other things, (i) further information on the Mandate for Possible Disposal; (ii) financial information of the Group; (iii) an independent property valuation report on No. 93 Building and No. 95 Building; (iv) notice of the SGM; and (v) other information required under the Listing Rules.

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## LETTER FROM THE BOARD

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### BACKGROUND

The Company, through its indirect wholly-owned subsidiaries, Nice Able and Success Mark, is the registered owner of the Catchick Street Properties and the Success Mark Property respectively, and collectively owns the following interests in No. 93 Building and No. 95 Building:

- (i) all those 100% of the equal undivided shares in all those pieces or 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 known as No. 93 Catchick Street, Hong Kong; and
- (ii) approximately 83.33% of the equal undivided shares in all those pieces or 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 known as No. 95 Catchick Street, Hong Kong.

On 18 August 2020, the Company filed an application to the Lands Tribunal pursuant to the Ordinance for an order to sell all the undivided shares of No. 93 Building and No. 95 Building (including those owned by the Group, as required by the Ordinance) for the purposes of the redevelopment of the entire Sites, with the intention to bid in the Auction and acquire the Remaining Unit held by the Registered Owners, representing approximately 8.33% of the undivided shares of No. 93 Building and No. 95 Building in aggregate. On 14 October 2020, the Lands Tribunal set down the application for the Hearing to be held on 12 and 13 January 2021 and, after the Hearing, it is expected the Lands Tribunal will, inter alia, make an order for the sale of No. 93 Building and No. 95 Building by public auction and set a reserve price and date for the Auction. The Company has sought to effect some or all of the Possible Acquisition by agreement with the Registered Owner(s) before the order for sale.

### POSSIBLE ACQUISITION

On 23 October 2020, Nice Able (as purchaser) entered into the Agreement with the Vendor's authorized attorney, Tong Yuk Lan (as vendor) for the sale and purchase of half share of the Remaining Unit at a purchase price of HK\$6,200,000, and completion of the Agreement shall take place on or before 31 December 2020.

The Company plans to bid at the Auction for No. 93 Building and No. 95 Building. If the Company is the successful bidder at the Auction, the consideration for the acquisition of the remaining half share of the Remaining Unit payable by the Company would be approximately 4.17% of the winning bid price. The Company intends to bid at the Auction at or above the reserve price determined by the Lands Tribunal and has effected some of the Possible Acquisition by agreement with one of the Registered Owners as abovementioned; and if successful to proceed with the Possible Acquisition at a price which will not result in the Possible Acquisition exceeding the thresholds for a notifiable transaction. The Directors consider that based on the existing use value and redevelopment value of No. 93 Building and No. 95 Building in the valuation report issued by Colliers it would not be in the interest of the Company to pay a price which results in the Possible Acquisition exceeding the thresholds for a notifiable transaction. The Company will comply with all applicable Listing Rules in respect of the Possible Acquisition as and when required.

The Possible Acquisition, when aggregated with the Acquisition, remains a major transaction of the Company under Chapter 14 of the Listing Rules.

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## LETTER FROM THE BOARD

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### **MANDATE FOR POSSIBLE DISPOSAL**

If the Company is not successful at the Auction, the Company will be obliged to sell through the Auction its entire interest in the Catchick Street Properties, the Success Mark Property and half share of the Remaining Unit to the successful bidder at the Auction. The Company intends to seek the approval of the Shareholders at the SGM for, inter alia, the mandate to dispose through the Auction its entire interest in the Catchick Street Properties, the Success Mark Property and half share of the Remaining Unit. Such mandate is to remain valid for twelve (12) months from the date of the Shareholders' approval. The Possible Disposal if it proceeds will constitute a major transaction of the Company under Chapter 14 of the Listing Rules.

### **FAILURE TO OBTAIN SHAREHOLDERS' APPROVAL**

In the event the Mandate for Possible Disposal is not approved by the Shareholders, the Company will either seek a stay of proceedings or withdraw its application for an order for sale. No decision about which is preferable has yet been made. The latest time to withdraw the application is the first day of the Hearing. A stay of proceedings will give the Company time to consider its position and if thought appropriate to seek approval for the Mandate, with or without amendment, if it decides that to do so is in its interest. The Company may recommence proceedings or withdraw its application for an order for sale if it so decides.

### **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 sq. ft. and approximately 4,015 sq. ft. respectively, totaling approximately 7,348 sq. ft. The total registered site area of the Sites is approximately 2,182 sq. ft.

### **INFORMATION ON THE CATCHICK STREET PROPERTIES AND THE SUCCESS MARK PROPERTY**

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 registered and beneficial owner of the Catchick Street Properties is Nice Able.



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## LETTER FROM THE BOARD

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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 registered and beneficial owner of the Success Mark Property is Success Mark.

The total saleable area of the Catchick Street Properties and the Success Mark Property owned by the Group is approximately 6,691 sq. ft. (comprising approximately 1,323 sq. ft. for retail use and approximately 5,368 sq. ft. for residential use).

As at the Latest Practicable Date, eight (8) of the units owned by the Group in the Catchick Street Properties and the Success Mark Property have been leased and the annual rental is approximately HK\$2,524,000.

According to the valuation report issued by Colliers, as at 29 October 2020, the existing use values for the entire No. 93 Building and No. 95 Building, and the Remaining Unit are HK\$117,600,000 and HK\$7,030,000 respectively and the market values upon redevelopment for the entire No. 93 Building and No. 95 Building, and the Remaining Units are HK\$211,000,000 and HK\$12,600,000 respectively. Thus, the market value upon redevelopment of the Catchick Street Properties and the Success Mark Property will be HK\$198,400,000. The aggregate book value of the Catchick Street Properties and the Success Mark Property as at 30 September 2020 was approximately HK\$257,300,000. If the Possible Disposal proceeds at such valuation price, the Company expects to recognize a loss on disposal of approximately HK\$58,900,000 (being the difference of the market value upon redevelopment over the book value). The actual amount of the gain or loss will depend on the successful bidder's bid price.

The following information is extracted from the financial information of Nice Able and Success Mark:

*Nice Able*

	<b>For the six months ended 30 September 2020</b>	<b>For the year ended 31 March 2020</b>	<b>2019</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(unaudited)	
Total assets	262,410	2,950	N/A
Profit before income tax	229	–	N/A
Profit for the period/year	229	–	N/A
Net profit attributable to shareholders of Nice Able	229	–	N/A

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## LETTER FROM THE BOARD

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### *Success Mark*

	<b>For the six months ended 30 September 2020</b>	<b>For the year ended 31 March</b>	
	<i>HK\$'000</i>	<b>2020</b>	<b>2019</b>
	(unaudited)	<i>HK\$'000</i> (audited)	<i>HK\$'000</i> (audited)
Total assets	14,418	15,489	15,239
Profit before income tax	115	83	409
Profit for the period/year	115	75	391
Net profit attributable to shareholders of Success Mark	115	75	391

The net assets value of Nice Able and Success Mark was approximately HK\$229,000 and HK\$2,539,000 respectively as of 30 September 2020.

### **INFORMATION ON THE REMAINING UNIT**

The Remaining Unit is the unit on 2/F., No. 95 Catchick Street, Hong Kong with a total saleable area of approximately 657 sq. ft. The Registered Owners are the owners of the Remaining Unit.

On 23 October 2020, Nice Able (as purchaser) entered into the Agreement with the Vendor's authorized attorney, Tong Yuk Lan (as vendor) for the sale and purchase of half share of the Remaining Unit at a purchase price of HK\$6,200,000, and completion of the Agreement shall take place on or before 31 December 2020.

### **BID PRICE AT THE AUCTION**

The Company may bid at or more than the reserve price at the Auction. If the Company is the successful bidder, the Company will be obliged to pay the apportioned winning bid price to the Registered Owner(s) with reference to their ownership percentage of No. 93 Building and No. 95 Building. Accordingly, the consideration for the acquisition of the remaining half share of the Remaining Unit payable by the Group would be approximately 4.17% of the successful bid price. All stamp duty and registration fees on transfer of the Remaining Unit will be payable by the Company, if it is the successful bidder at the Auction. The Possible Acquisition will be financed by bank loans and cash from internal resources of the Group.

The Company will consider, inter alia, the following factors in making a decision on whether to bid and its bid price at the Auction which will in any event not be less than the reserve price as determined by the Lands Tribunal:

1. the valuation report issued by Colliers valuing the Sites of No. 93 Building and No. 95 Building;
2. the existing use value and redevelopment value of No. 93 Building and No. 95 Building;

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## LETTER FROM THE BOARD

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3. the latest transacted prices of comparable properties in Kennedy Town at the time;
4. the breakeven price on the sale of the Catchick Street Properties and the Success Mark Property based on their aggregate book value as at 30 September 2020, being approximately HK\$257,300,000;
5. the availability of internal resources and banking facilities;
6. the property market condition at the time of the Auction and in the near and mid-term; and
7. the bids made by competitors at the Auction.

In order not to compromise the commercial interests of the Company by revealing commercial secrets and place the Company in a disadvantaged position against other bidders and/or competitors, the maximum price which the Company is willing to pay at the Auction was not disclosed in the Company's announcement dated 30 October 2020 and is not disclosed in this circular but the Company will not bid at a price that if successful would make the Possible Acquisition a notifiable transaction. According to the valuation report issued by Colliers, as at 29 October 2020, the market value upon redevelopment for the Remaining Unit is HK\$12,600,000. The Possible Acquisition at such value or an amount in excess of it would be in the interests of the Company and the Shareholders as a whole because the Possible Acquisition will result in the Group owning the entire No. 93 Building and No. 95 Building and being able to redevelop it and expecting to profit accordingly. The Directors believe that given the transparency of the Lands Tribunal's determination of the reserve price, after taking into consideration the valuations of independent professional valuers and the fact that the reserve price will be determined by the Lands Tribunal, the acquisition or sale at the Auction of the relevant interest in No. 93 Building and No. 95 Building will at least be at fair current market values and not detrimental to the interest of the Company. The Company has applied for waiver from strict compliance with Rule 14.58(4) of the Listing Rules and the same has been granted by the Stock Exchange.

The Shareholders should be aware of the following latest transactions of comparable properties in Kennedy Town:

<b>Transaction Date</b>	<b>Description of the Property</b>	<b>Age of the Building (years)</b>	<b>Saleable Area (sq. ft.)</b>	<b>Consideration (HK\$)</b>	<b>Price per sq. ft. (HK\$)</b>
<b>Retail</b>					
16 July 2020	Sang Cheong Building, 427-437 Queen's Road West	53	623	33,500,000	53,772
29 June 2020	Luen Wai Apartments, 136-142 Belcher's Street	49	1,055	59,000,000	55,924
4 May 2020	47-51 Hau Wo Street	62	505	21,000,000	41,584

## LETTER FROM THE BOARD

Transaction Date	Description of the Property	Age of the Building (years)	Saleable Area (sq. ft.)	Consideration (HK\$)	Price per sq. ft. (HK\$)
<b>Residential</b>					
10 September 2020	May Sun Building, 1–15 Smithfield	56	496	5,150,000	10,383
5 August 2020	52 Belcher's Street	55	591	6,280,000	10,626
22 June 2020	Kennedy Mansion, 165E Belcher's Street	58	411	5,000,000	12,165

Below is the existing use value of No. 93 Building and No. 95 Building based on the valuation report issued by Colliers as at 29 October 2020:

Description of the Property	Age of the Building (years)	Saleable Area (sq. ft.)	Existing Use Value (HK\$)	Price per sq. ft. (HK\$)
No. 93 Building and No. 95 Building (comprises 2 retail units and 10 residential units)	58	7,348	117,600,000	16,004

### AUCTION PROCESS

The Hearing of the Lands Tribunal has been set on 12 and 13 January 2021 and the Company expects that after the Hearing an order for sale will be made by the Lands Tribunal for the sale of No. 93 Building and No. 95 Building (including the Remaining Unit and those units owned by the Group) by way of public auction with a reserve price. The Company understands that in determining reserve price in hearings of this nature the Lands Tribunal generally takes into account the valuations made by independent professional valuers and the reserve price in the Auction is likely to be in line with the current market values determined by such independent professional valuers. In normal circumstances, the Auction is held within three (3) months from the date of the order for sale made by the Lands Tribunal, with an extension of another three (3) months if the circumstances so require.

The Lands Tribunal will appoint (a) trustee(s), who will be in charge of the conduct of the Auction and subsequent apportionment and distribution of sale proceeds. The trustee(s) to be appointed is/are usually qualified solicitor(s) practising in Hong Kong and will be Independent Third Party(ies). The Auction will be open to the public and any party may bid at the Auction.

The Company understands that the bidding process for the Auction will be fully in accordance with normal market practice and conducted by a professional auctioneer appointed by the trustee(s) and that No. 93 Building and No. 95 Building will be sold to the highest bidder at the Auction, providing the reserve price is met.

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## LETTER FROM THE BOARD

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At the Auction, bidders will make open bids for No. 93 Building and No. 95 Building in full view of each other and with each bid being immediately known to all participants, as in a Government land auction, in a process controlled by the auctioneer. The Company believes that the terms of the Auction will be consistent with the best market practice overseen by the trustee(s) who will be independent professionals.

According to Section 5(4) of the Ordinance, if No. 93 Building and No. 95 Building is not sold by auction within three (3) months from the date of the order for sale (or, if the Lands Tribunal grants an extension for another three (3) months, then a total of six (6) months) the order for sale will cease to have any legal effect. Upon the order for sale being annulled, the Company and the Registered Owners shall continue to hold the same interests (respectively) as they hold prior to the commencement of the application under the Ordinance as if no application was ever made for the order for sale.

Given the open bidding process at the Auction, the publicly available information on No. 93 Building and No. 95 Building, the valuation(s) of No. 93 Building and No. 95 Building and the transparent nature of the Hong Kong property market, the Directors are satisfied that they have all information necessary to make a properly-informed bid at the Auction.

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

In August 2020, the Company planned to gain full ownership of the entire No. 93 Building and No. 95 Building for redevelopment and to unlock the commercial potential of the Sites. The value of No. 93 Building and No. 95 Building lies in the redevelopment potential of the Sites instead of its current use value.

Therefore, the Company plans to seek to acquire the Remaining Unit in order to own the entire No. 95 Building for future redevelopment. The Directors consider that the Sites has great commercial potential given its good location and redevelopment potential and success at the Auction would enable the Company to unlock the commercial value of the Sites which will contribute to revenue for the Group. Having evaluated the viability of No. 93 Building and No. 95 Building redevelopment project on a number of factors, including financial viability, the Directors took the view that it is beneficial to proceed with the project.

The Directors are mindful that (based on the valuation report issued by Colliers), the market value upon redevelopment of the Catchick Street Properties and the Success Mark Property owned by the Group will be approximately HK\$198,400,000, whilst the book value of those properties is at present approximately HK\$257,300,000 (a difference of approximately HK\$58,900,000). The Directors nevertheless consider the Possible Acquisition to be in the interests of the Company and the Shareholders as a whole.

However, in view of the current difficult market situation which hard-hits overall economy in Hong Kong, on 5 November 2020 (as supplemented by a supplemental agreement dated 9 November 2020), Easyknit International Holdings Limited (“**Easyknit**”) (stock code: 1218) and the Company entered into a sale and purchase agreement, pursuant to which, among other things, Easyknit conditionally agreed to purchase, and the Company conditionally agreed to sell, the entire issued shares of Above Ace Limited (“**Above Ace**”) and Success Edge, and the Company agreed to procure the assignment of the sale loans owing by Above Ace and Success Edge to Easyknit, at an aggregate consideration of HK\$1,100,000,000 (subject to adjustments).

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## LETTER FROM THE BOARD

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The sole material asset of Above Ace (through wholly-owned subsidiaries) is the properties at Nos. 1B, 1C, 1D and 1E Davis Street, Kennedy Town, Hong Kong, and the sole material asset of Success Edge (through Nice Able and Success Mark) is the Catchick Street Properties and the Success Mark Property.

The Directors consider that, given the Group's real estate activities now focus on the industrial and non-residential sector, the disposal is both a way of raising cash for use in or towards financing of other property projects of the Company and of sharpening its focus on the industrial and non-residential sector. Also, the Directors are of the view that the value lies in the combined sites of the properties owned by Above Ace and Success Edge will bring higher return to the Company than developing the respective property on its own. As stated in the joint announcement of the Company and Easyknit dated 9 November 2020, a gain of approximately HK\$45,262,154 is expected to accrue to the Company on completion of the disposal. In view of that, the Company therefore agreed to enter into the sale and purchase agreement with Easyknit.

Further information can be found in the joint announcement of the Company and Easyknit dated 9 November 2020.

The market value upon redevelopment estimated by Colliers is based on current economic conditions and current values in the property market in Hong Kong. Historically the Hong Kong property market has been volatile in comparison to markets in other jurisdictions and is depressed as a result of social unrest that began in June 2019 and the outbreak of the COVID-19 pandemic in January 2020. The Directors believe that, when the COVID-19 pandemic and the overall economy become stable, it is expected that the Hong Kong property market will normalize and, together with the relaxation of mortgage ceiling by Hong Kong Monetary Authority become the catalyst for the revival of the sales activities of the properties. Therefore, the Directors are in the view that the Possible Acquisition is in the interests of the Company and the Shareholders as a whole and that the terms of sale by public auction will be fair and reasonable.

### **REASONS FOR AND BENEFITS OF THE POSSIBLE DISPOSAL**

If the Company is not successful at the Auction, the Company will be obliged to sell all the Catchick Street Properties, the Success Mark Property and half share of the Remaining Unit to the successful bidder at the Auction.

Although the Company would lose the opportunity to redevelop the Sites, the Possible Disposal would improve its cash flow for the Group. In case the bid is unsuccessful at the Auction due to the bid price being higher than expected by the Company, the Possible Disposal would even generate more cash inflow to the Company, and in which case it would be more beneficial for the Company to dispose of the properties than to develop on its own. Given the difficult current market conditions and business sentiments as a result of a hard-hit impact by COVID-19 as well as the global political and trade tensions, the Directors are of the opinion that the sale proceeds received from the Possible Disposal will preserve cash resources to cater for financing other projects in the short-term and near future and for the Group's general working capital.

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## LETTER FROM THE BOARD

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Based on the above reasons, the Directors are of the view that although the Possible Disposal is not their intention, because it is a legal requirement inseparable from the Possible Acquisition it is in the interests of the Company and the Shareholders as a whole and that the terms of sale by the Auction will be fair and reasonable.

### **IMPLICATIONS UNDER THE LISTING RULES**

The Possible Acquisition, on a standalone basis, is a de minimis transaction which is not subject to any reporting and disclosure requirements under the Listing Rules. The Possible Acquisition, when aggregated with the Acquisition, remains a major transaction of the Company under Chapter 14 of the Listing Rules.

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Possible Disposal exceeds 25% but less than 75%, the Possible Disposal will constitute 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.

### **INFORMATION ON THE REGISTERED OWNERS**

The Registered Owners are individuals unknown to the Company. To the best of the Directors' knowledge, having made all reasonable enquiries, the Registered Owners and their respective ultimate beneficial owner(s) (where applicable) are Independent Third Parties.

### **INFORMATION ON NICE ABLE, SUCCESS MARK AND THE GROUP**

Nice Able, an indirect wholly-owned subsidiary of the Company, is incorporated in the British Virgin Islands with limited liability. The principal business of Nice Able is being the registered owner of the Catchick Street Properties and it holds the entire interest of Success Mark. Success Mark, an indirect wholly-owned subsidiary of the Company, is incorporated in Hong Kong with limited liability. The principal business of Success Mark is being the registered owner of the Success Mark Property.

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.

### **FINANCIAL EFFECTS OF THE POSSIBLE DISPOSAL**

#### **Earnings**

Upon completion of the Possible Disposal, based on the estimation of the Board, the rental income is expected to decrease by approximately HK\$2,524,000 and it is expected to recognize a loss on disposal of approximately HK\$58,900,000.

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## LETTER FROM THE BOARD

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### **Assets and Liabilities**

As at 30 September 2020, the net asset value of the Group was approximately HK\$2,904,042,000. Upon completion of the Possible Disposal, based on the estimation of the Board, (i) the assets value will decrease by approximately HK\$93,659,000 which mainly comprises properties held for development for sale of approximately HK\$257,300,000 and refundable stamp duty of approximately HK\$34,759,000, less cash consideration of approximately HK\$198,400,000 based on the market value upon redevelopment of the Catchick Street Properties and the Success Mark Property; and (ii) the liabilities (mainly being repayment of bank loan) will decrease by approximately HK\$92,758,000.

### **NON-PARTICIPATION AT AUCTION BY EASYKNIT AND ITS DIRECTORS, AND THE COMPANY'S DIRECTORS**

Easyknit, the securities of which are listed on the main board of the Stock Exchange (stock code: 1218), through its wholly-owned subsidiaries, holds approximately 29.60% of the issued voting shares in the Company as at the Latest Practicable Date. Easyknit and its directors and their respective associates (as defined in the Listing Rules) have confirmed that they will each not participate in the Auction. The Directors and their respective associates (as defined in the Listing Rules) have also confirmed that they will not participate in the Auction.

### **GENERAL**

An application has been made by the Company to the Stock Exchange for appropriate waiver from the disclosure requirements under Rule 14.58(4) of the Listing Rules and the same has been granted by the Stock Exchange.

The SGM will be convened and held for the Shareholders to consider and, if thought fit, approve, the Mandate for Possible Disposal.

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 Thursday, 24 December 2020 at 9:00 a.m. is set out on pages N-1 to N-2 of this circular. A form of proxy for the SGM is enclosed with this circular. Whether or not Shareholders are able to attend and vote at the SGM, they are requested to read the notice and to complete and sign 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 54, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than forty-eight (48) hours before the time appointed for holding the SGM. Completion and return of the form of proxy will not preclude Shareholders from attending and voting in person at the SGM or any adjournment thereof should they so wish and, in such event, the proxy form shall be deemed to be revoked.

All resolutions put to the SGM will be voted on by way of poll.

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



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## LETTER FROM THE BOARD

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### **CLOSURE OF REGISTER OF MEMBERS**

For the purpose of determining the Shareholders' eligibility to attend and vote at the SGM, the register of members of the Company will be closed from Monday, 21 December 2020 to Thursday, 24 December 2020, both dates inclusive. During such period, no Share transfers will be registered. In order to qualify to attend and vote at the SGM, all transfers of the 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 54, Hopewell Centre, 183 Queen's Road East, Hong Kong no later than 4:30 p.m. on Friday, 18 December 2020.

### **RECOMMENDATION**

The Board is of the opinion that the Mandate for Possible Disposal is fair and reasonable and in the best interests of the Company and the Shareholders as a whole and the Board recommends the Shareholders to vote in favour of the resolution to approve the Possible Disposal to be proposed at the SGM.

### **ADDITIONAL INFORMATION**

Your attention is drawn to the notice of the SGM and the information set out in the appendices to this circular.

### **WARNING**

**As the Mandate for Possible Disposal is conditional upon the approval of the Shareholders, accordingly, the Possible Disposal may or may not proceed, the Shareholders and potential investors should exercise caution when dealing in the securities of the Company.**

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

## 1. FINANCIAL SUMMARY OF THE GROUP

Further information about the Group is disclosed in the last three (3) published annual reports and its most recent interim results announcement, copies of which can be located at the hyperlinks below:

For the six months ended	Hyperlink	Principal relevant pages
30 September 2020	<a href="https://www1.hkexnews.hk/listedco/listconews/sehk/2020/1120/2020112000659.pdf">https://www1.hkexnews.hk/listedco/listconews/sehk/2020/1120/2020112000659.pdf</a>	18–35
For the year ended	Hyperlink	Principal relevant pages
31 March 2020	<a href="https://www1.hkexnews.hk/listedco/listconews/sehk/2020/0618/2020061800324.pdf">https://www1.hkexnews.hk/listedco/listconews/sehk/2020/0618/2020061800324.pdf</a>	70–213
31 March 2019	<a href="https://www1.hkexnews.hk/listedco/listconews/sehk/2019/0620/lt20190620297.pdf">https://www1.hkexnews.hk/listedco/listconews/sehk/2019/0620/lt20190620297.pdf</a>	61–189
31 March 2018	<a href="https://www1.hkexnews.hk/listedco/listconews/sehk/2018/0622/lt20180622291.pdf">https://www1.hkexnews.hk/listedco/listconews/sehk/2018/0622/lt20180622291.pdf</a>	45–149

## 2. WORKING CAPITAL

The Directors are of the opinion that, after taking into account its available financial resources, in the absence of unforeseen circumstances, the Group has sufficient working capital for its requirements for the next twelve (12) months from the date of this circular.

## 3. INDEBTEDNESS

As at the close of business of 31 October 2020, being the latest practicable date for the purpose of determining the indebtedness of the Group prior to the printing of this circular, the Group had outstanding bank borrowings of approximately HK\$1,510,150,000, which were secured by charges are leasehold properties, investment properties, properties held for development for sale of the Group with carrying amounts of approximately HK\$927,594,000 and HK\$2,664,667,000 respectively at 30 September 2020 and all bank borrowings were guaranteed by the Company.

Save as disclosed above and intra-group liabilities, the Group did not have any debt securities authorized or created but 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 as at the close of business on 31 October 2020.

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

Although uncertainties in the global economic outlook have been caused by the softening global economic growth, trade war between US and China, and the outbreak of coronavirus disease (COVID-19), the Group maintains a cautiously optimistic view on the property market and will devote resources and efforts in increasing and replenishing its land bank for development. The Group will continue to adopt a prudent approach on acquiring and disposing properties. In addition, the Group will continue to look for potential investment properties for recurring income and capital appreciation, at the same time expanding its loan financing business for the growth of its stable recurring income.

These strategies are intended to enable the Group to maintain its competitiveness thereby ensuring the Group's sustainability and securing the Shareholders' benefits.

**5. MATERIAL CHANGE**

The Directors confirm that, as at the Latest Practicable Date, subject to COVID-19 and other unpredictable circumstances, there has been no material adverse change in the financial or trading position or outlook of the Group since 31 March 2020, the date to which the latest published audited financial statements of the Company were made up, up to and including the Latest Practicable Date.

The following is the valuation report prepared for the purpose of the incorporation in this circular, received from Colliers International (Hong Kong) Limited, an independent valuer, in connection with its valuation as at 29 October 2020 of the property interests of Eminence Enterprise Limited:

Colliers International (Hong Kong) Limited  
Valuation & Advisory Services  
Company Licence No: C-006052

MAIN 852 2828 9888  
FAX 852 2828 9899  
EMAIL stella.ho@colliers.com

Suite 5701 Central Plaza  
18 Harbour Road Wanchai  
Hong Kong



4 December 2020

### The Directors

#### Eminence Enterprise Limited

7/F., Hong Kong Spinners Building, Block A, Phase 6  
481–483 Castle Peak Road  
Cheung Sha Wan  
Kowloon, Hong Kong

Dear Sirs,

**Re: Valuation of 2/F, No. 95 Catchick Street, Hong Kong (the “Property”)**

### INSTRUCTIONS, PURPOSE AND VALUATION DATE

In accordance with the instructions for us to value the Property in which Eminence Enterprise Limited (the “Client”) and its subsidiaries (hereinafter together referred to as the “Group”) have interests in Hong Kong, we confirm that we have carried out physical inspections, made relevant enquiries and searches and obtained such further information as we consider necessary for providing you with our opinion of the Market Value of the leasehold interests of the Property, as at 29 October 2020 (the “Valuation Date”) for public disclosure purposes.

We hereby confirm that:

- We have no present or prospective interest in the Property and are not a related corporation of nor have a relationship with the Client.
- We are authorised to practice as valuers and have the necessary expertise and experience in valuing similar types of property.
- The valuation has been prepared on a fair and unbiased basis.

### VALUATION STANDARDS

The valuation has been carried out in accordance with the prevailing valuation standards, namely, the Hong Kong Institute of Surveyors’ *HKIS Valuation Standards*; and in compliance with the requirements contained in Chapter 5 of the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited.

Colliers International (Hong Kong) Limited is regulated by the Royal Institution of Chartered Surveyors (RICS) which monitors regulated firms under its conduct and disciplinary regulations. In accordance with RICS regulatory requirements, Colliers International (Hong Kong) Limited maintains a complaints handling procedure, details of which are available upon request.

**VALUATION DATE**

The Valuation Date is 29 October 2020. Due to possible changes in market forces and circumstances in relation to the Property, the report can only be regarded as representing our opinion of the value of the Property as at the valuation date. We assume that the Property is in the same conditions on the valuation date as the inspection date.

**VALUATION BASIS**

Our valuation is provided on the basis of Market Value which is defined as 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.

**VALUATION ASSUMPTIONS**

- No allowance has been made in our report for any charges, mortgages or amounts owing on any of the property interests valued nor for any expenses or taxation which may be incurred in effecting a sale. We have assumed that the Property is free from and clear of any and all charges, liens and encumbrances of an onerous nature likely to affect value.
- It is assumed that any land premium or other fees payable for the acquisition, transfer, sale, letting or mortgage of the Property have been fully paid and settled.
- We have assumed proper title has been obtained, and the Property and the interest valued therein can be freely transferred, mortgaged and let in the market.
- As the Property is held under a long term government lease in Hong Kong, we have assumed that the owner has free and uninterrupted rights to use the Property for the whole of the unexpired term of the lease, in accordance with the terms of the lease.
- We are not aware of any easements or rights of way affecting the Property and have assumed that none exist.
- We have assumed that all information, estimates and opinions furnished to us and contained in this report including all information provided by the Client, are true and correct, fit for valuation purposes, and from reliable sources. We can assume no responsibility for accuracy.
- We have not carried out any detailed site measurements to verify the correctness of areas, nor have we tested any of the services and facilities. We have assumed that the areas shown on the documents provided to us are correct and that the services and facilities are in good working order.

- We have assumed that the Property is free from any contamination and environmental problems or hazards.

### **VALUATION APPROACHES AND METHODS**

We have valued the Property by Market Approach.

The Market Approach provides an indication of value by comparing the subject asset with identical or similar assets for which price information is available. In analysing such sales, which qualify as ‘arm’s-length’ transactions between willing buyers and sellers, adjustments are made to reflect differences between the comparables and the subject of this valuation in matters such as transaction dates, size, location, quality, age and amenities and any other relevant factors, to assess the value of the subject asset. This approach is commonly used to value assets where reliable sales evidence is available.

### **INSPECTIONS, INVESTIGATIONS AND SOURCES OF INFORMATION**

External inspection of the Property, befitting this valuation, were undertaken by Stella Ho on 29 October 2020.

We confirm that we have made enquiries and obtained such information that we consider necessary to undertake the valuation of the Property. The information has been obtained from various sources including the Client, information already in the public domain and our own databases and has been verified as far as is reasonable.

We have accepted advice given to us on matters such as identification of the property, particulars of occupancy, approvals, statutory notices, easements, tenure, areas, plans and all other relevant matters. Dimensions, measurements and areas included in the valuation are based on information contained in the documents provided to us and are, therefore, only approximations.

We have also been advised by the Group that no material factors or information have been omitted or withheld from the information supplied and consider that we have been provided with sufficient information to reach an informed view. We believe that the assumptions used in preparing our valuation are reasonable and have had no reason to doubt the truth and accuracy of the information provided to us by the Group which is material to the valuation.

No on-site measurements have been taken to verify the correctness of site areas. We have assumed that the site areas shown on documents provided to/obtained by us are correct.

No structural or environmental surveys have been carried out. Services and facilities have not been tested.

We have made enquiries at the Land Registry, but we have not searched the original documents nor verified the existence of any amendments, which do not appear in the documents available to us.

All legal documents disclosed in this letter, the valuation summary and the valuation certificates are for reference only. No responsibility is assumed for any legal matters concerning the legal titles to the Property set out in this letter, the valuation summary and the valuation certificates.

**CURRENCY**

All monetary figures stated in this report are in Hong Kong dollars (HKD).

**CAVEATS AND ASSUMPTIONS**

This report is subject to and includes our standard caveats and assumptions set out at the end of this report.

The outbreak of the novel coronavirus (Covid-19), declared a global pandemic by the World Health Organisation on 11 March 2020, has impacted global financial markets. Market activity is being impacted in many sectors. As at the valuation date, we consider that we can attach less weight to previous market evidence for comparison purposes to inform opinions of value. Indeed, the current response to Covid-19 means that we are faced with an unprecedented set of circumstances on which to base a judgement.

Under current circumstances our valuation is therefore reported on the basis of material valuation uncertainty as defined by the prevailing Royal Institution of Chartered Surveyors' valuation standards. Consequently, less certainty – and a higher degree of caution – should be attached to our valuation than would normally be the case. Given the unknown future impact that Covid-19 might have on the real estate market, we recommend that you keep the valuation of the Property under frequent review.

Valuation Particulars is attached hereto and form part of this valuation report for public disclosure purpose.

Yours faithfully,

For and on behalf of

**Colliers International (Hong Kong) Limited**

**Stella Ho**

*BSSc (Hons) MSc MRICS MHKIS RPS (GP) MCIREA*

*Registered Real Estate Appraiser PRC*

**Senior Director**

Valuation and Advisory Services

*Note:* Stella Ho is a Member of the Royal Institution of Chartered Surveyors, a Member of the Hong Kong Institute of Surveyors and a Registered Professional Surveyor (General Practice) under the Surveyors Registration Ordinance (Cap. 417) in Hong Kong Special Administrative Region. She is suitably qualified to carry out the valuation and has over 20 years of experience in the valuation of properties of this magnitude and nature.

Encl.

## VALUATION PARTICULARS

Property	Description and Tenures	Particulars of Occupancy	Market Value as at 29 October 2020
2/F., No. 95 Catchick Street, Hong Kong	The Property comprises a residential unit on 2/F of No. 95 Catchick Street. According to the information from the Rating and Valuation Department, the Property has a saleable area of about 657 square feet (61.0 square metres).	As advised by the Client, the Property is vacant as of the Valuation Date.	i. The existing use value of the Property assuming sale with the benefit of immediate vacant possession is <b>HKD7,030,000 (Hong Kong Dollars Seven Million Thirty Thousand only)</b> ;
1/6 <sup>th</sup> equal and undivided shares of and in Sub-Section 7 of Section A of Marine Lot No. 245 (“the Lot”)	The Property is situated within two 6-storey tenement buildings, namely Nos. 93 and 95 Catchick Street (“the Site”). According to Occupancy Permit No. H113/62, the buildings were built in 1962.  The Lot is held under Government Lease for a term of 999 years commencing from 24 June 1892. The Property is subject to an annual government rent of HKD4.		ii. The site value of the 100% interests of the Site assuming immediate vacant possession for redevelopment is <b>HKD211,000,000 (Hong Kong Dollars Two Hundred and Eleven Million only)</b> ;  iii. The site value attribute to the Property is <b>HKD12,600,000 (Hong Kong Dollars Twelve Million Six Hundred Thousand only)</b>

*(Note: Please also refer to Note 6 below for further details.)*

## Notes:

(1) The ownership particulars of the Property and interests valued are as follows:

Lot Number	:	Sub-Section 7 of Section A of Marine Lot No. 245
Lease Terms	:	Held under Government Lease for a term of 999 years commencing from 24 June 1892
Registered Owner	:	Chi Ah Chiang and Lee Sai Mee as Tenants in Common
Remarks	:	Chi Ah Chiang, Kee Choy Yin, Lee Sai Mee and Kwok Wing as Joint Tenants by Assignment dated 8 November 1976 registered vide Memorial No. UB1319084; Kwok Wing died see Memorial No. 05112901410028, Kee Choy Yin died see Memorial No. 05122900710055, now as tenants in common in equal shares see Memorial No. 20093002100024
Major Encumbrances	:	<ul style="list-style-type: none"> <li>• Deed of Covenant dated 29 September 1976, registered vide Memorial No. UB1308687;</li> <li>• Government Notice No. 3845 of 11 November 1988 Pursuant to Sec. 22(2) (Remarks: The Crown Rent and Premium (Apportionment) Ordinance), dated 11 November 1988, registered vide Memorial No. UB3889022;</li> <li>• Deed of Severance of Joint Tenancy, dated 2 September 2020, registered vide Memorial No.20093002100024; and</li> <li>• Sealed Copy of Notice of Application to Lands Tribunal for an Order for Sale under Land (Compulsory Sale for Redevelopment) Ordinance, Land Compulsory Sale Main Application No. LDCS 22000 of 2020 in favour of Nice Able Holdings Limited (1st Applicant), Success Mark Investments Limited (2nd Applicant), Chi Ah Chiang (1st Respondent) and Lee Sai Mee (2nd Respondent), dated 18 August 2002, registered vide Memorial No. 20082002560019.</li> </ul>



- (2) The Property is situated to the north of Catchick Street near its junction of Davis Street in Kennedy Town, which is an area characterised by a mixture of residential developments and composite developments. Kennedy Town is situated at the western side of Hong Kong Island, adjacent to Shek Kwok Tsui. The area is served by several bus and minibus routes which operate between various locations and the vicinity. The MTR (Island Line) Kennedy Town Station is situated within a 5-minute walking distance from the Property.
- (3) The Property falls within an area zoned as “Residential (A)” under the Draft Kennedy Town & Mount Davis Outline Zoning Plan No. S/H1/20 gazetted on 11 March 2016. This zone is intended primarily for high-density residential developments. Commercial uses are always permitted on the lowest three floors of a building or in the purpose-designed non-residential portion of an existing building. According to the explanatory note attached to the Outline Zoning Plan, on land designated “Residential Group A”, 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 building heights of 100 metres above Principal Datum, or the height of the existing building whichever is the greater.
- (4) The Property is subject to the following lease restrictions under the Government Lease of Marine Lot No. 245.

*“...the said Lessee, their Executors, Administrators or Assigns, or any other person or persons, shall not nor will, during the continuance of this demise, use, exercise or follow, in or upon the said premises, or any part thereof, the trade or business of a Brazier, Slaughterman, Soap-maker, Sugar-baker, Fellmonger, Melter of tallow, Oilman, Butcher, Distiller, Victualler, or Tavern-keeper, Blacksmith, Nightman, Scavenger, or any or other noisy, noisome or offensive trade or business whatever, without the previous licence of His Majesty...”*

- (5) In our valuation, we have compared the asset with identical or comparable (that is similar) assets for which price information is available. Adjustments are made to reflect differences between the comparables and the Property in matters such as transaction dates, size, location, floor and age and any other relevant factors, to arrive at the fair comparison of value.

The unit rates of comparable transactions are in the range of about HKD10,383 to HKD12,165 per square foot for the Property. Our valuation falls within these ranges.

- (6) In assessing the site value attributable to the Property, we have apportioned the 100% site value in accordance with the proportion of the existing use value of the Property to the existing use value of all the units in the development currently erected on the Site. The site value attribute to the Property is assessed to be HKD12,600,000. No allowance has been given to the possible costs, which are required for the amalgamation of the 100% shares of the Lot either by private negotiation or by the compulsory sale order under Land (Compulsory Sale for Redevelopment) Ordinance (Cap. 545).
- (7) As at 29 October 2020, we have assessed:
- (a) the existing use value and the site value upon redevelopment of the Site are HKD117,600,000 and HKD211,000,000 respectively; and
- (b) the breakdown of the saleable area and site area are summarized as follows:

<b>Property</b>	<b>Saleable Area</b>	<b>Site Area</b>
No. 93 Catchick Street	3,333 square feet	913.5 square feet
No. 95 Catchick Street	4,015 square feet	1,268.8 square feet
Total (the Site)	7,348 square feet	2,182.3 square feet

## 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) Interests of Directors and chief executive of the Company

As at the Latest Practicable Date, none of the Directors or chief executive of the Company had any interests or short positions in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the “SFO”), which would have 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 they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company under Section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

### (b) Interests of Substantial Shareholders

As at the Latest Practicable Date, the persons (other than the Directors or the chief executive of the Company) who had an interest or a short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Name of Shareholder	Notes	Capacity	Number of Shares held	Number of underlying Shares	Total	Approximate percentage of the total issued Shares
Ace Winner Investment Limited (“Ace Winner”)	(i)	Beneficial owner	90,855,000	–	90,855,000	9.75%
Goodco Development Limited (“Goodco”)	(i) and (ii)	Beneficial owner	161,445,295	389,120,000	550,565,295	59.10%
Easyknit Properties Holdings Limited	(i) and (ii)	Interest of controlled corporation	161,445,295	389,120,000	550,565,295	59.10%

Name of Shareholder	Notes	Capacity	Number of Shares held	Number of underlying Shares	Total	Approximate percentage of the total issued Shares
Easyknit International Holdings Limited (“Easyknit”)	(i) and (ii)	Interest of controlled corporation	275,687,665	389,120,000	664,807,665	71.37%
Madian Star Limited (“Madian”)	(iii)	Beneficial owner	6,250,000	40,994,419	47,244,419	5.07%
Hu Rong		Beneficial owner	47,030,000	–	47,030,000	5.05%

*Notes:*

- (i) In the 275,687,665 Shares, 90,855,000 Shares, 23,387,370 Shares and 161,445,295 Shares are registered in the name of and beneficially owned by Ace Winner, Landmark Profits Limited and Goodco (which is wholly-owned by Easyknit Properties Holdings Limited) respectively, all of which are wholly-owned subsidiaries of Easyknit.
- (ii) The 389,120,000 underlying Shares comprise of (i) 64,000,000 revised Conversion Shares (subject to adjustment) to be issued upon full conversion of the convertible note held by Goodco issued by the Company on 11 May 2017; (ii) 45,120,000 revised Conversion Shares (subject to adjustment) to be issued upon full conversion of another convertible note held by Goodco issued by the Company on 26 September 2017; and (iii) 280,000,000 revised Conversion Shares (subject to adjustment) to be issued upon full conversion of the convertible note held by Goodco issued by the Company on 28 August 2019.
- (iii) The 40,994,419 underlying Shares are the convertible Shares to be issued (subject to adjustment) upon full conversion of the convertible note issued by the Company to Madian on 12 June 2015.

Ms. Lui Yuk Chu, an executive Director and an executive director of Easyknit, is also a director of Ace Winner, Landmark Profits, Goodco and Easyknit Properties Holdings Limited. Apart from Ms. Lui Yuk Chu, as at the Latest Practicable Date, no Director is also a director or an employee of the substantial Shareholders.

Save as disclosed above, as at the Latest Practicable Date, the Company had not been notified by any persons (other than Directors or chief executive of the Company) who had interests or short positions in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO, or which were required to be recorded in the register kept by the Company under Section 336 of the SFO.

### 3. LITIGATION

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries were 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 pending or threatened by or against the Group.

#### 4. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing and proposed service contract with any member 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).

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

<b>Name of Director</b>	<b>Name of company</b>	<b>Nature of competing business</b>	<b>Nature of interest</b>
Lui Yuk Chu	Easyknit	Property investment, property development, securities investment and loan financing	Director of Easyknit and substantial shareholder of Easyknit

Save as disclosed in this circular, 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. DIRECTORS' INTEREST IN CONTRACTS AND ASSETS

As at the Latest Practicable Date, save as disclosed in this circular, none of the Directors were interested in any contract of arrangement entered into by the Company or any of its subsidiaries which contract or arrangement is subsisting at the Latest Practicable Date and which is significant in relation to the business of the Group.

As at the Latest Practicable Date, save as disclosed in this circular, none of the Directors had any direct or indirect interest in any assets which have been, since 31 March 2020, the date to which the latest published audited consolidated financial statements of the Group were made up, acquired or disposed of by, or leased to the Company or any of its subsidiaries, or are proposed to be acquired or disposed of by, or leased to the Company or any of its subsidiaries.

#### 7. MATERIAL CONTRACTS

Save as disclosed below, there are no material contracts (not being contracts entered into in the ordinary course of business) which have been entered into by any member of the Group within the two (2) years immediately preceding and including the Latest Practicable Date:

- (a) a property management agreement dated 8 March 2019 entered into between UrbanMode (HK) Limited, a wholly-owned subsidiary of Easyknit, as manager, and Wellmake Investments Limited, a wholly-owned subsidiary of the Company, as registered owner, for the management of Easy Tower by UrbanMode (HK) Limited;

- (b) a subscription agreement dated 26 March 2019 entered into by between a wholly-owned subsidiary of the Company and Templewater I, G.P. in relation to the subscription of the limited partnership interests in a limited partnership with a capital commitment of US\$5 million;
- (c) a third deed of amendment (the “**Third Deed**”) dated 26 March 2019 entered into between the Company and Madian in relation to the alteration of the subscription price under a convertible note held by Madian and convertible into Shares;
- (d) a fourth deed of amendment dated 8 April 2019 entered into between the Company and Madian in relation to the termination and replacement of the Third Deed, alteration of the subscription price under a convertible note held by Madian and convertible into Shares and imposition of restrictions on conversions that would lead to an offer being required under Rule 26 of the Takeovers Code and/or the Company breaching the public float requirement under the Listing Rules;
- (e) a sale and purchase agreement dated 24 May 2019 entered into between Lion Capital Investment Limited (a wholly-owned subsidiary of the Company), as seller, and Create Success Investments Limited, as purchaser, in relation to the sale and purchase of the shares of certain wholly-owned subsidiaries of the Company, which own office units 01, 02, 03, 05, 06, 07, 08 and 09 on the 12th Floor and carparking spaces numbers 329, 330 and 331 on the 3rd Floor of Capital Centre, No. 151 Gloucester Road, Hong Kong, and a related loan;
- (f) the subscription agreement dated 17 June 2019 between the Company, as issuer, and Goodco, as subscriber, relating to the issue by the Company to Goodco a convertible note in the principal amount of HK\$70,000,000, conferring rights to convert at any time before 28 August 2024 the principal amount into the Shares at a conversion price which is currently HK\$0.25 per Share (after adjustment);
- (g) a sale and purchase agreement dated 9 July 2019 entered into between Above Ace Limited (“**Above Ace**”), a wholly-owned subsidiary of the Company, as buyer, and Ng Kwai Tung, as seller, in relation to the sale and purchase of Real Supreme Limited and Extra Glory Limited and their respective shareholders’ loans;
- (h) an underwriting agreement dated 4 November 2019 entered into between the Company and Get Nice Securities Limited, as underwriter, in relation to, inter alia, a rights issue of the Company on the basis of four rights Shares for every one consolidated Share;
- (i) two loan agreements dated 16 January 2020 and 11 March 2020 respectively entered into between City China International Limited, a wholly-owned subsidiary of the Company, as lender, and Victor Or, as borrower, in relation to the granting of loans in the total principal amount of HK\$34,000,000;
- (j) a sale and purchase agreement dated 6 April 2020 entered into between Success Edge Limited, a wholly-owned subsidiary of the Company, as buyer, and Ng Kwai Tung, as seller, in relation to the sale and purchase of the entire issued share capital and the respective shareholder’s loan owing by Nice Able Holdings Limited;

- (k) the three deeds of amendment each dated 18 September 2020 entered into between the Company and Goodco in relation to the proposed alterations of certain terms of the three convertible notes issued by the Company to Goodco on 11 May 2017, 26 September 2017 and 28 August 2019 respectively (as from time to time amended); and
- (l) the sale and purchase agreement dated 5 November 2020 entered into between Easyknit as purchaser and the Company as vendor in relation to the sale and purchase of the entire issued share capital of Above Ace and Success Edge (wholly-owned subsidiaries of the Company) and the shareholders' loans owing by Above Ace and Success Edge to the Company, as supplemented by a supplemental agreement dated 9 November 2020.

## 8. EXPERT AND CONSENT

The following is the qualification of the expert who has been named in this circular or has given opinion or advice contained in this circular:

<b>Name</b>	<b>Qualification</b>
Colliers	Independent Professional Valuer

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

- (a) any direct or indirect interest in any assets which have been, since 31 March 2020 (being the date to which the latest published audited consolidated 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 expert has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and the reference to its name in the form and context in which it appears.

## 9. GENERAL

- (a) The company secretary of the Company is Mr. Lee Po Wing, a practising solicitor since 1994.
- (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 54, Hopewell Centre, 183 Queen's Road East, Hong Kong.

- (d) The English text of this circular shall prevail over the Chinese text to the extent of any inconsistency.

#### **10. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents will be 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 the period of 14 days commencing 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 (3) years ended 31 March 2018, 2019 and 2020;
- (c) the written consent referred to in the paragraph headed "Expert and Consent" of this appendix;
- (d) the material contracts referred to in the paragraph headed "Material Contracts" of this appendix;
- (e) the valuation report prepared by Colliers as set out in Appendix II to this circular;
- (f) the circular(s) issued by the Company since 31 March 2020 pursuant to the requirements set out in Chapters 14 and/or 14A of the Listing Rules; and
- (g) this circular.

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## NOTICE OF THE SGM

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### EMINENCE ENTERPRISE LIMITED

高山企業有限公司

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 616)**

### NOTICE OF SPECIAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that a special general meeting of Eminence Enterprise Limited (the “**Company**”) will be held at Block A, 7th Floor, Hong Kong Spinners Building, Phase 6, 481–483 Castle Peak Road, Cheung Sha Wan, Kowloon, Hong Kong on Thursday, 24 December 2020 at 9:00 a.m. for the purpose of considering and, if thought fit, passing the following resolution, which will be proposed, with or without amendment, as an ordinary resolution of the Company:

#### ORDINARY RESOLUTION

“**THAT** the directors of the Company (the “**Directors**”) be and are hereby authorized to effect the disposal (the “**Disposal**”) of the entire interest in all the units of Nos. 93 and 95 Catchick Street, Hong Kong (the “**Catchick Street Properties**”) owned by the Company and/or its subsidiaries at any public auction of the entire Catchick Street Properties to be held by order of the Lands Tribunal, at or above the reserve price, and the Directors be and are hereby authorized to execute all such documents, instruments and agreements and do all such acts, matters and things as they may in their absolute discretion consider necessary, desirable or expedient for the purposes of or in connection with implementing, completing and giving effect to the Disposal as they may in their absolute discretion consider necessary or desirable with full power to authorize any other person to do so in the name of and as the act of the Company or its subsidiary, during the period of twelve (12) months from the date of passing this resolution.”

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

Hong Kong, 4 December 2020

*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



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## NOTICE OF THE SGM

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*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 is entitled to appoint another person as his proxy to attend and vote instead of him. A shareholder of the Company who is the holder of two or more shares of the Company (the “**Shares**”) may appoint more than one proxy to attend on the same occasion. 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 and transfer office in Hong Kong, Tricor Secretaries Limited, at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong not less than forty-eight (48) hours before the time appointed for holding of the meeting.
5. 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 and in such event, the form of proxy will be deemed to be revoked.
6. Where there are joint registered holders of any Share, any one of such persons may vote, either personally or by proxy, in respect of such Share as if he was solely entitled thereto; but if more than one of such joint holders be present at the meeting personally or by proxy, that one of the said persons so present whose name stands first in the register of members of the Company (the “**Register of Members**”) in respect of such share shall alone be entitled to vote in respect thereof.
7. For the purpose of determining eligibility to attend and vote at the meeting, the Register of Members will be closed from Monday, 21 December 2020 to Thursday, 24 December 2020, (both dates inclusive), during which period, no transfers of Shares will be registered. In order for the holders to qualify to attend and vote at the meeting, 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 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong no later than 4:30 p.m. on Friday, 18 December 2020.

*As at the date of this notice, the Board comprises Mr. Lai Law Kau, Ms. Lui Yuk Chu and Mr. Kwong Jimmy Cheung Tim as executive Directors; and Mr. Kan Ka Hon, Mr. Lau Sin Ming and Mr. Wu Koon Yin Welly as independent non-executive Directors.*

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