

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



EMINENCE ENTERPRISE LIMITED
高山企業有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 616)

POSSIBLE ACQUISITION (DISCLOSEABLE TRANSACTION)
AND
MANDATE FOR POSSIBLE VERY SUBSTANTIAL DISPOSAL
IN RELATION TO THE AUCTION OF
FUNG WAH FACTORIAL BUILDING,
NOS. 646, 648 AND 648A CASTLE PEAK ROAD, KOWLOON, HONG KONG

BACKGROUND

The Group collectively owns over 90% of the undivided shares of Fung Wah Factorial Building and has filed an application for an order to sell all the undivided shares of Fung Wah Factorial Building. It is expected that the Lands Tribunal will order sale of Fung Wah Factorial Building by public auction.

POSSIBLE ACQUISITION (DISCLOSEABLE TRANSACTION)

The Company plans to bid at the Auction at or above the reserve price determined by the Lands Tribunal and if successful to proceed with the Possible Acquisition; and/or effect some or all of the Possible Acquisition by agreement with the Registered Owners of the Remaining Units, before the order for sale is made. The Possible Acquisition is expected to constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

MANDATE FOR POSSIBLE VERY SUBSTANTIAL DISPOSAL

If the Company is not successful at the Auction, the Company will be obliged to sell its entire interest in Fung Wah Properties to the successful bidder. The Board intends to seek the approval of the Shareholders at the SGM for, inter alia, the mandate to dispose through the Auction all the units of Fung Wah Properties owned by the Group. Such mandate is to remain valid for a period of twelve (12) months from the date of the Shareholders' approval. The Possible Very Substantial Disposal will constitute a very substantial disposal for the Company under Chapter 14 of the Listing Rules.

LISTING RULES IMPLICATIONS

The Possible Acquisition (Discloseable Transaction)

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Possible Acquisition is expected to exceed 5% but be less than 25%, the Possible Acquisition is expected to constitute a discloseable transaction of the Company, while the Possible Acquisition and the Acquisition in aggregate also constitute a discloseable transaction of the Company and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

The Possible Very Substantial Disposal

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Possible Very Substantial Disposal exceeds 75%, the Possible Very Substantial Disposal will constitute a very substantial disposal for the Company and is therefore subject to the reporting, announcement and the Shareholders' approval requirements under Chapter 14 of the Listing Rules.

GENERAL

A circular containing, among other things, (i) further information on the Mandate for Possible Very Substantial Disposal; (ii) financial information of the Group; (iii) an independent property valuation report on Fung Wah Factorial Building; (iv) notice of the SGM; and (v) other information required under the Listing Rules will be despatched to the Shareholders on or before 8 February 2021.

Reference is made to the Announcement in relation to the Acquisition. Capitalized terms used herein shall have the same meanings as defined in the Announcement unless otherwise defined herein.

BACKGROUND

The Company, through Skill Master and its wholly-owned subsidiaries (Daily Leader, Treasure Arts and Top Lead) which are the registered owners of Fung Wah Properties, collectively owns 29 units (including an AP common part) out of a total of 31 units of Fung Wah Factorial Building, representing approximately 93.33% of the undivided shares in all those pieces or ground registered in the Land Registry as (i) The Remaining Portion of Section A of New Kowloon Inland Lot No. 2213; (ii) Section D of New Kowloon Inland Lot No. 2213; (iii) The Remaining Portion of New Kowloon Inland Lot No. 2213; and (iv) Section E of New Kowloon Inland Lot No. 2213 and in the messuages erections and buildings thereon known as Fung Wah Factorial Building, Nos. 646, 648 and 648A Castle Peak Road, Kowloon, Hong Kong.

On 6 September 2019, the Company filed an application to the Lands Tribunal pursuant to the Ordinance for an order to sell all the undivided shares of Fung Wah Factorial Building (including Fung Wah Properties owned by the Group, as required by the Ordinance) for the purposes of the redevelopment of the entire Lot, with the intention to bid at the Auction and acquire the Remaining Units held by the Registered Owners, representing approximately 6.67% of the undivided shares of Fung Wah Factorial Building in aggregate. On 11 August 2020, the Lands Tribunal set down the application for the Hearing to be held on 1 March 2021 and, after the Hearing, it is expected the Lands Tribunal will, inter alia, make an order for the sale of Fung Wah Factorial Building by public auction and set a reserve price and date for the Auction. The Company may seek to effect some or all of the Possible Acquisition by agreement with the Registered Owners before the order for sale.

On 17 November 2020, Skill Master, a wholly-owned subsidiary of the Company (as the purchaser) entered into the Agreement with an Independent Third Party, Li Ming Hung (as the vendor) for the sale and purchase of workshop space C1 of ground floor of Fung Wah Factorial Building at a consideration of HK\$45,000,000. Upon completion took place on 25 November 2020, the Group owns 29 units out of a total of 31 units of Fung Wah Factorial Building.

POSSIBLE ACQUISITION (DISCLOSEABLE TRANSACTION)

The Company plans to bid at the Auction for Fung Wah Factorial Building. If the Company is the successful bidder at the Auction, the consideration for the acquisition of the Remaining Units payable by the Company would be approximately 6.67% 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 if successful to proceed with the Possible Acquisition; and/or effect some or all of the Possible Acquisition by agreement with the Registered Owners before the order for sale, at a price which will not result in the Possible Acquisition exceeding the thresholds for a discloseable transaction. The Directors consider that based on the existing use value and redevelopment value of Fung Wah Factorial Building in the draft valuation prepared by Knight Frank 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 discloseable transaction. The Possible Acquisition is thus expected to constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

Based on the current draft valuation prepared by Knight Frank, the Company does not intend to bid at a price that would make the Possible Acquisition, when aggregated with the Acquisition, a major transaction or above. The Company will comply with all applicable Listing Rules in respect of the Possible Acquisition as and when required.

MANDATE FOR POSSIBLE VERY SUBSTANTIAL DISPOSAL

If the Company is not successful at the Auction, the Company will be obliged to sell through the Auction its entire interest in Fung Wah Properties owned by the Group 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 Fung Wah Properties. Such mandate is to remain valid for twelve (12) months from the date of the Shareholders' approval. The Possible Very Substantial Disposal if it proceeds will constitute a very substantial disposal for the Company under Chapter 14 of the Listing Rules.

FAILURE TO OBTAIN SHAREHOLDERS' APPROVAL

In the event the Mandate for Possible Very Substantial 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 mandates, 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 FUNG WAH FACTORIAL BUILDING

Fung Wah Factorial Building was completed in 1960. It is a 7-storey building comprising a total of 31 units. The saleable area of Fung Wah Factorial Building is approximately 51,070 sq. ft. The site area of Fung Wah Factorial Building is approximately 9,206 sq. ft.

Information on Fung Wah Properties owned by the Group

The Company, through Skill Master and its wholly-owned subsidiaries (Daily Leader, Treasure Arts and Top Lead) which are the registered owners of Fung Wah Properties, collectively owns 29 units (including an AP common part) out of a total of 31 units of Fung Wah Factorial Building, representing approximately 93.33% of the equal undivided shares in all those pieces or ground registered in the Land Registry as (i) The Remaining Portion of Section A of New Kowloon Inland Lot No. 2213; (ii) Section D of New Kowloon Inland Lot No. 2213; (iii) The Remaining Portion of New Kowloon Inland Lot No. 2213; and (iv) Section E of New Kowloon Inland Lot No. 2213 and in the messuages erections and buildings thereon known as Fung Wah Factorial Building, Nos. 646, 648 and 648A Castle Peak Road, Kowloon, Hong Kong.

The total saleable area of Fung Wah Properties owned by the Group is approximately 47,450 sq. ft., representing approximately 93.33% of the undivided shares of Fung Wah Factorial Building.

As at the date of this announcement, twenty-two (22) units of Fung Wah Properties owned by the Group have been leased and the annual rental is approximately HK\$8,647,000.

According to the draft valuation prepared by Knight Frank, as at 21 December 2020, the existing use values for the entire Fung Wah Factorial Building and the Remaining Units are HK\$296,300,000 and HK\$13,400,000 respectively and the market values upon redevelopment for the entire Fung Wah Factorial Building and the Remaining Units are HK\$668,000,000 and HK\$30,000,000 respectively. Thus, the market value upon redevelopment of Fung Wah Properties owned by the Group will be HK\$638,000,000. The aggregate book value of Fung Wah Properties owned by the Group as at 30 November 2020 was approximately HK\$632,336,000. If the Possible Very Substantial Disposal proceeds at such valuation price, the Company expects to recognize a gain on disposal of approximately HK\$5,664,000 (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.

If the Company is successful at the Auction, Fung Wah Factorial Building will be demolished and redeveloped into a high-rise modern industrial building to maximize the usage and potential of the Lot to its fullest extent.

The following information is extracted from the consolidated financial information of Skill Master:

	For the six months ended 30 September 2020 HK\$'000 (unaudited)	For the year ended 31 March 2020 2019 HK\$'000 HK\$'000 (audited) (audited)	
Total assets	589,099	595,395	641,954
Profit / (loss) before income tax	(8,601)	(63,549)	1,845
Profit / (loss) for the period/year	(8,601)	(63,549)	1,845
Net profit / (loss) attributable to shareholders of Skill Master	(8,601)	(63,549)	1,845

The net liabilities value of Skill Master was approximately HK\$42,847,000 as of 30 September 2020.

Information on the Remaining Units

The Remaining Units are two (2) units of Fung Wah Factorial Building which are (i) workshop space D of 2nd floor, with a saleable area of approximately 1,710 sq. ft.; and (ii) workshop space A of 5th floor, with a saleable area of approximately 1,910 sq. ft., representing approximately 6.67% of the undivided shares of Fung Wah Factorial Building in aggregate, with a total saleable area of approximately 3,620 sq. ft. The Registered Owners are the owners of the Remaining Units.

Based on the respective notices of opposition to application for an order for sale under the Ordinance filed by the Registered Owners for each of the Remaining Units on 27 September 2019 and 14 November 2019, the Remaining Units have been leased for an annual rental income of approximately HK\$597,600.

The Company tried to obtain financial information about the Remaining Units as required by the Listing Rules and made requests to the Registered Owners but has been unable to gain access to the underlying books and records. Therefore, no information regarding the income, net profits, direct costs and other expenses relating to the Remaining Units is available to the Company, which has no right to such information.

Despite the fact that relevant information of the Remaining Units is not available to the Company, as the Company intends to redevelop the Lot of Fung Wah Factorial Building, the historical information of the Remaining Units would not be useful or relevant to the Shareholders. The Company has therefore applied for waivers from strict compliance with Rules 14.58(4) and 14.58(7) of the Listing Rules and the same have been granted by the Stock Exchange.

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 Owners with reference to their ownership percentage of Fung Wah Factorial Building. Accordingly, the consideration for the acquisition of the Remaining Units payable by the Group would be approximately 6.67% of the successful bid price. All stamp duty and registration fees on transfer of the Remaining Units 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 draft valuation prepared by Knight Frank valuing Fung Wah Factorial Building;
2. the existing use value and redevelopment value of Fung Wah Factorial Building;
3. the latest transacted prices of comparable properties in Lai Chi Kok at the time;
4. the breakeven price on the sale of Fung Wah Properties based on their aggregate book value as at 30 November 2020, being approximately HK\$632,336,000;
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 will not be disclosed in this announcement or the circular but the Company will not bid at a price that if successful would make the Possible Acquisition exceeding the thresholds for a discloseable transaction. According to the draft valuation prepared by Knight Frank, as at 21 December 2020, the market value upon redevelopment for the Remaining Units is HK\$30,000,000. 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 Fung Wah Factorial 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 Fung Wah Factorial Building will at least be at fair current market values and not detrimental to the interest of the Company. The Company has applied for waivers from strict compliance with Rules 14.58(4) and 14.58(7) of the Listing Rules and the same have been granted by the Stock Exchange.

The Shareholders should be aware of the following latest transactions of comparable properties in Lai Chi Kok:

Transaction Date	Description of the Property	Age of the Building (years)	Saleable Area (sq. ft.)	Consideration (HK\$)	Price per sq. ft. (HK\$)
11 November 2020	Unit C, 4/F., Wing Hong Factory Building, No. 777-783 Yu Chau West Street, Lai Chi Kok, Kowloon	58	3,090	12,600,000	4,078
5 November 2020	Unit C, 2/F., Wui Wah Factory Building, No. 1035-1037 Yee Kuk West Street, Lai Chi Kok, Kowloon	59	7,960	32,380,000	4,068

Below is the existing use value of Fung Wah Factorial Building based on the draft valuation prepared by Knight Frank as at 21 December 2020:

Description of the Property	Age of the Building (years)	Saleable Area (sq. ft.)	Existing Use Value (HK\$)	Price per sq. ft. (HK\$)
Fung Wah Factorial Building	60	51,070	296,300,000	5,802

AUCTION PROCESS

The Hearing of the Lands Tribunal has been set on 1 March 2021 and the Company expects that after the Hearing an order for sale will be made by the Lands Tribunal for the sale of Fung Wah Factorial Building (including the Remaining Units and Fung Wah Properties 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 Fung Wah Factorial Building will be sold to the highest bidder at the Auction, providing the reserve price is met.

At the Auction, bidders will make open bids for Fung Wah Factorial 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 Fung Wah Factorial 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 Fung Wah Factorial Building, the valuation(s) of Fung Wah Factorial 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

The reasons for the Possible Acquisition are to gain full ownership of the entire Fung Wah Factorial Building for redevelopment and to unlock the commercial potential of the Lot. The value of Fung Wah Factorial Building lies in the redevelopment potential of the Lot instead of its current use value.

The Company plans to seek to acquire the Remaining Units in order to own the entire Fung Wah Factorial Building for future redevelopment. If it succeeds on acquiring the whole Fung Wah Factorial Building, the Company intends to demolish Fung Wah Factorial Building and redevelop the Lot into a high-rise modern industrial building to maximize the usage of the Lot.

The Directors consider that the Lot 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 Lot which will contribute to revenue for the Group. Having evaluated the viability of Fung Wah Factorial 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 draft valuation prepared by Knight Frank), the market value upon redevelopment of Fung Wah Properties owned by the Group will be approximately HK\$638,000,000, whilst the book value of those properties is at present approximately HK\$632,336,000 (a difference of approximately HK\$5,664,000). The Directors consider the Possible Acquisition to be in the interests of the Company and the Shareholders as a whole.

The market value upon redevelopment estimated by Knight Frank 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. Given that the time it will take to complete the development if the Company is successful at the Auction, property values are likely to have risen at the time it offers the redeveloped property for sale, if it chooses to do so, and if they have not the Directors will consider alternatives at the time such as holding all or part of the development as an investment for rental income.

Taking into account the abovementioned factors, 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 VERY SUBSTANTIAL DISPOSAL

If the Company is not successful at the Auction, the Company will be obliged to sell all the units of Fung Wah Properties to the successful bidder at the Auction.

Although the Company would lose the opportunity to redevelop the Lot, the Possible Very Substantial Disposal would improve its cash flow for the Group. The sale proceeds received from the Possible Very Substantial Disposal will be used by the Group in or towards financing other projects and for general working capital.

Based on the above reasons, the Directors are of the view that although the Possible Very Substantial 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.

LISTING RULES IMPLICATIONS

The Possible Acquisition (Discloseable Transaction)

Based on the draft valuation prepared by Knight Frank, as at 21 December 2020, the market value upon redevelopment of the Remaining Units is HK\$30,000,000. As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Possible Acquisition is expected to exceed 5% but be less than 25%, the Possible Acquisition is expected to constitute a discloseable transaction of the Company, while the Possible Acquisition and the Acquisition in aggregate also constitute a discloseable transaction of the Company and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

The Possible Very Substantial Disposal

If the consideration for the entire Fung Wah Factorial Building is HK\$668,000,000 (based on the draft valuation prepared by Knight Frank), the market value upon redevelopment of Fung Wah Properties owned by the Group will be approximately HK\$638,000,000, being the aggregate consideration for the Possible Very Substantial Disposal. As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Possible Very Substantial Disposal exceeds 75%, the Possible Very Substantial Disposal will constitute a very substantial disposal for 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 DAILY LEADER, TREASURE ARTS, TOP LEAD AND THE GROUP

Daily Leader, an indirect wholly-owned subsidiary of the Company, is incorporated in the BVI with limited liability. The principal business of Daily Leader is property investment and being the registered owner of workshop spaces A2, B1, B2 and C2 of ground floor; and B of 4th floor of Fung Wah Factorial Building.

Treasure Arts, an indirect wholly-owned subsidiary of the Company, is incorporated in the BVI with limited liability. The principal business of Treasure Arts is property investment and being the registered owner of workshop spaces A1 and D of ground floor; A, B, C and D of 1st floor; A, B and C of 2nd floor; A, B, C and D of 3rd floor; A, C and D of 4th floor; B, C and D of 5th floor; and A, B, C and D of 6th floor and roof of Fung Wah Factorial Building.

Top Lead, an indirect wholly-owned subsidiary of the Company, is incorporated in Hong Kong with limited liability. The principal business of Top Lead is property holding and being the registered owner of workshop space C1 of ground floor of Fung Wah Factorial Building.

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 development, property investment, securities investment and loan financing business.

NON-PARTICIPATION AT AUCTION BY EASYKNIT INTERNATIONAL HOLDINGS LIMITED AND ITS DIRECTORS, AND THE COMPANY'S DIRECTORS

Easyknit International Holdings Limited (“**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 date of this announcement. 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 waivers from the disclosure requirements under Rules 14.58(4) and 14.58(7) of the Listing Rules and the same have been granted by the Stock Exchange.

A circular containing, among other things, (i) further information on the Mandate for Possible Very Substantial Disposal; (ii) financial information of the Group; (iii) an independent property valuation report on Fung Wah Factorial Building; (iv) notice of the SGM; and (v) other information required under the Listing Rules will be despatched to the Shareholders on or before 8 February 2021.

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

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

WARNING

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

DEFINITIONS

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

“Acquisition”	the acquisition by Skill Master (as the purchaser) of the entire issued share capital of Upway International Group Limited and the assignment of the shareholder's loan from Li Ming Hung (as the vendor) subject to the terms and conditions of the Agreement
“Agreement”	a conditional agreement for sale and purchase dated 17 November 2020 entered into between Skill Master (as the purchaser) and Li Ming Hung (as the vendor) in relation to the Acquisition
“Announcement”	the announcement of the Company dated 17 November 2020 in relation to the Acquisition
“AP common part”	adverse possession of the area of the staircase between workshop space C and workshop space D on ground floor of Fung Wah Factorial Building
“Auction”	the public auction of the entire interest in Fung Wah Factorial Building on an “as-is” basis expected to take place by order of the Land Tribunal, and/or any postponement thereof
“Board”	the board of the Directors
“BVI”	British Virgin Islands
“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)

“Daily Leader”	Daily Leader Limited, a company incorporated in the BVI with limited liability and an indirect wholly-owned subsidiary of the Company
“Directors”	the directors of the Company
“discloseable transaction”	the meaning ascribed thereto in the Listing Rules
“Fung Wah Factorial Building”	the building known as Fung Wah Factorial Building which is situated at Nos. 646, 648 and 648A Castle Peak Road, Kowloon, Hong Kong with a total of 31 units (including an AP common part)
“Fung Wah Properties”	a total of 29 units of Fung Wah Factorial Building owned by the Group
“Group”	the Company and its subsidiaries
“Hearing”	the hearing by the Lands Tribunal for an order for sale of Fung Wah Factorial Building
“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)
“Knight Frank”	Knight Frank Petty Limited, a property valuer and an Independent Third Party
“Lands Tribunal”	the Lands Tribunal established under the Lands Tribunal Ordinance (Chapter 17 of the Laws of Hong Kong)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Lot”	(i) The Remaining Portion of Section A of New Kowloon Inland Lot No. 2213; (ii) Section D of New Kowloon Inland Lot No. 2213; (iii) The Remaining Portion of New Kowloon Inland Lot No. 2213; and (iv) Section E of New Kowloon Inland Lot No. 2213 and in the messuages erections and buildings thereon known as Fung Wah Factorial Building, Nos. 646, 648 and 648A Castle Peak Road, Kowloon, Hong Kong
“Mandate for Possible Very Substantial Disposal”	the mandate proposed for the Possible Very Substantial Disposal to be granted by the Shareholders at the SGM to the Directors

“Ordinance”	the Land (Compulsory Sale for Redevelopment) Ordinance (Chapter 545 of the Laws of Hong Kong)
“Possible Acquisition”	the possible acquisition of the Remaining Units referred to in this announcement
“Possible Very Substantial Disposal”	the possible very substantial disposal of the entire interest in all the units of Fung Wah Properties owned by the Group referred to in this announcement
“Registered Owner(s)”	the registered owners of the Remaining Units as recorded in the land register of the Hong Kong Land Registry being: <ul style="list-style-type: none"> (i) Wong Fung Chu, the registered owner of workshop space D of 2nd floor of Fung Wah Factorial Building; and (ii) Chan Yat Choi, Cheung Fuk Lam and Ip Wai Ching as tenant in common in equal share, being the registered owners of workshop space A of 5th floor of Fung Wah Factorial Building
“Remaining Units”	two (2) units of Fung Wah Factorial Building which are (i) workshop space D of 2nd floor; and (ii) workshop space A of 5th floor, representing approximately 6.67% of the undivided shares of Fung Wah Factorial Building in aggregate
“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 Very Substantial Disposal
“Shares”	ordinary shares of par value HK\$0.20 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Skill Master”	Skill Master Investments Limited, a company incorporated in the BVI with limited liability and a direct wholly-owned subsidiary of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Top Lead”	Top Lead Investment Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“Treasure Arts”	Treasure Arts International Group Limited, a company incorporated in the BVI with limited liability and an indirect wholly-owned subsidiary of the Company

“very substantial disposal”	the meaning ascribed thereto in the Listing Rules
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“sq. ft.”	square feet
“%”	per cent.

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

Hong Kong, 6 January 2021

As at the date hereof, 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 announcement shall prevail over the Chinese version.