THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

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

EMINENCE ENTERPRISE LIMITED
高山企業有限公司

(incorporated in Bermuda with limited liability)

(Stock Code: 616)

VERY SUBSTANTIAL ACQUISITION
ACQUISITION OF SALE SHARE AND SALE LOAN
AND
NOTICE OF SPECIAL GENERAL MEETING

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

A letter from the Board is set out on pages 5 to 14 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 Friday, 7 October 2016 at 9:10 a.m. is set out on pages N-1 to N-2 of this circular. A form of proxy for use at the SGM is enclosed. Whether or not you are able to attend the SGM, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return the same to the Company's branch share registrar and transfer office in Hong Kong, Tricor Secretaries Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as practicable but in any event not later than 48 hours before the time appointed for holding of the SGM. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof (as the case may be) should you so wish and in such case, the form of proxy shall be deemed to be revoked.

15 September 2016

CONTENTS

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

"1st Acquisition"	the acquisition of the sale share and sale loan of TAI for a consideration of HK$51,981,900, details of which are set out in the Company's announcement dated 13 June 2016 and 13 July 2016
"2nd Acquisition"	the proposed acquisition of the Sale Share and Sale Loan of DLL subject to the terms and conditions of the Agreement
"Aggregate Acquisitions"	the aggregate of the 1st Acquisition and 2nd Acquisition
"Agreement"	an agreement dated 3 August 2016 entered into between Skill Master and the Seller for the sale and purchase of Sale Share and Sale Loan of DLL
"Announcement"	the announcement of the Company dated 9 August 2016
"AP common part"	adverse possession of a Property Vendor in the areas on the ground floor of the Building under the Judgement DCCJ 1459 of 2014
"associates"	the meaning ascribed thereto in the Listing Rules
"Board"	the board of Directors
"Building"	the building is known as Fung Wah Factorial Building which is situated at No. 646, 648 & 648A Castle Peak Road, Kowloon, Hong Kong with a total of 32 units (including a AP common part)
"Company"	Eminence Enterprise Limited (高山企業有限公司), a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange
"Completion"	completion of the sale and purchase of Sale Share and Sale Loan
"Completion Date"	the date fixed for completion of the Agreement, which is expected to be on 13 October 2016, or such other dates the parties may agree in writing

"Consideration"	the aggregate consideration of HK$64,525,000 includes the amount of HK$15,822,008 to acquire the Sale Share and the amount of HK$48,702,992 to acquire the Sale Loan payable by Skill Master to the Seller under the Agreement
"Director(s)"	director(s) of the Company
"DLL"	Daily Leader Limited, a company incorporated in the British Virgin Islands, which is wholly-owned by the Seller
"DLL Properties"	5 units of the Building which are: (1) Unit A2 of ground floor, (2) Units B1 and B2 of ground floor, (3) Unit C2 of ground floor, and (4) Unit B of 4/F of the Building
"Enlarged Group"	the Group immediately after the completion of the 2nd Acquisition
"GI Property"	Unit B, 1/F of the Building which was purchased by the Group for a consideration of HK$6,800,000 and was completed on 11 November 2015
"Goldchamp"	Goldchamp International Limited, a company incorporated in Hong Kong, which is a wholly-owned subsidiary of the Company
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollars, lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Independent Third Party"	a third party independent of the Company and of connected persons (as defined in the Listing Rules) of the Company
"Latest Practicable Date"	12 September 2016, being the latest practicable date prior to the printing to this circular for ascertaining certain information

"Listing Rules"	Rules Governing the Listing of Securities on the Stock Exchange
"major transaction"	as defined in the Listing Rules
"Ordinance"	the Land (Compulsory Sale for Redevelopment) Ordinance, Cap 545, Laws of Hong Kong
"percentage ratios"	the meaning ascribed thereto in Chapter 14 of the Listing Rules
"PRC"	the People's Republic of China
"Property Purchase Agreement(s)"	the 3 provisional agreements for sale and purchase entered into between DLL and each of the Property Vendor(s) in relation to the sale and purchase of the DLL Properties
"Property Vendors"	the respective vendor(s) of each of the Property Purchase Agreements(s), each of which are Independent Third Parties
"Remaining Units"	9 units of the Building which are: (1) Units A1, C1 and D of Ground Floor; and (2) Units A, B and D of 1st Floor; and (3) Unit D of 2nd Floor; and (4) Unit D of 4th Floor; and (5) Units A of 5th Floor of the building
"Sale Loan"	the entire amount of the shareholder's loan of HK$48,702,992 owing by DLL to the Seller as at the Completion Date
"Sale Share"	the one ordinary share of US$1.00 in the share capital of DLL, which has been issued and fully paid up and which represents the entire issued share capital of DLL at Completion
"Seller"	Mr. Ng Kwai Tung, an individual person who is an Independent Third Party

"SGM"	the special general meeting of the Company to be convened and held on 7 October 2016 for the purpose of considering, if thought fit, and approving, the Agreement and Aggregate Acquisitions and the transactions contemplated thereunder
"Share(s)"	ordinary share(s) of HK$0.01 each in the share capital of the Company
"Shareholder(s)"	holder(s) of Shares
"Skill Master"	Skill Master Investments Limited, a company incorporated in the British Virgin Islands and is a direct wholly-owned subsidiary of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Supplemental Agreements"	3 supplemental agreements to the Property Purchase Agreements entered into between DLL and each of the Property Vendor(s) relating to the amendments in the settlement of the payment
"TAI"	Treasure Arts International Group Limited, a company incorporated in the British Virgin Islands, which is wholly-owned by the Seller
"TAI Agreement"	agreement dated 13 June 2016 and supplemental agreement dated 13 July 2016, both entered into between Skill Master and the Seller for the sale and purchase of Sale Share and Sale Loan of TAI
"TAI Properties"	20 units of the Building which are: (1) Unit C and D of 1st floor; and (2) Units A, B and C of 2nd floor; and (3) Units A, B, C and D of 3rd floor; and (4) Units A, C and D of 4th floor; and (5) Units B, C and D of 5th floor; and (6) Unit A and roof A, Unit B and roof B, Unit C and roof C, and Unit D and roof D of 6th floor; and (7) AP common part
"very substantial acquisition"	as defined in the Listing Rules

EMINENCE ENTERPRISE LIMITED
高山企業有限公司

(incorporated in Bermuda with limited liability)

(Stock Code: 616)

Executive Directors:
Mr. Kwong Jimmy Cheung Tim
(Chairman and Chief Executive Officer)
Ms. Lui Yuk Chu
(Deputy Chairman)
Ms. Koon Ho Yan Candy

Non-executive Directors:
Mr. Tse Wing Chiu Ricky
Mr. Lai Law Kau

Independent Non-executive Directors:
Mr. Kan Ka Hon
Mr. Lau Sin Hing
Mr. Foo Tak Ching

Registered office:
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Head office and principal place of business in Hong Kong:
Unit A, 7th Floor
Hong Kong Spinners Building, Phase 6
481-483 Castle Peak Road
Cheung Sha Wan
Kowloon
Hong Kong

15 September 2016

To the Shareholders

Dear Sir or Madam,

VERY SUBSTANTIAL ACQUISITION
ACQUISITION OF SALE SHARE AND SALE LOAN

INTRODUCTION

Reference was made to the Announcement.

Pursuant to the property portfolio of the Group, Goldchamp, a wholly-owned subsidiary of the Company, becomes the owner of Unit B, 1/F of the Building on 11 November 2015 ("**GI Property**"). The Group acquired the GI Property from a connected party at an acquisition cost of HK$6,800,000 and this transaction was approved by the independent Shareholders on 7 October 2015 and completed on 11 November 2015. Details of this transaction is disclosed in the Company's circular dated 14 September 2015.

In addition, pursuant to the Company's announcements dated 13 June 2016 and 13 July 2016 relating to the acquisition of TAI ("**1st Acquisition**"), the Shareholders have been approved the 1st Acquisition on 1 August 2016; and completion for the purchase of 20 units (including a AP common part) of the Building ("**TAI Properties**") was made on 5 August 2016.

As at the Latest Practicable Date, the Group, via its subsidiaries, is the owner of GI Property and TAI Properties, i.e. 21 units (including a AP common part) of the Building which represent 66.67% of the undivided shares of the Building (as contemplated by section 3(1) of the Ordinance).

On 3 August 2016, Skill Master, a direct wholly-owned subsidiary of the Company, as the purchaser, entered into the Agreement with the Seller, pursuant to which amongst other things, Skill Master conditionally agreed to acquire, and the Seller agreed to sell the Sale Share and the Sale Loan of DLL at a total consideration of HK$64,525,000 ("**2nd Acquisition**"). The Sale Share represents 100% equity interest in DLL whilst the Sale Loan represents the entire amount of shareholder's loan owing by DLL to the Seller as at the Completion Date. The sole asset of DLL is the 5 units ("**DLL Properties**") of the Building.

The Building is a 7-storey industrial building completed in 1960 with a total of 32 units (including a AP common part). Upon completion for the purchase of the DLL Properties, the Group shall own 26 units (including a AP common part) which represents 80% of the undivided shares of the Building (as contemplated by section 3(1) of the Ordinance) and since the Building exceeds 50 years of age which the Company is entitled to file an application to the Lands Tribunal under the Ordinance for an order to sell all the undivided shares in the Building for the purposes of redevelopment.

THE AGREEMENT

Date	:	3 August 2016
Purchaser	:	Skill Master
Seller	:	Mr. Ng, an individual person who is the legal and beneficial owner of the entire issued share capital of DLL, being the Seller

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Seller is an Independent Third Party and also the seller of TAI. Save for the Agreement and TAI Agreement, there were no arrangements between the Company and the Seller in relation to the Property Purchase Agreements.

Assets to be acquired

Pursuant to the Agreement, amongst other things, Skill Master has conditionally agreed to acquire from the Seller the Sale Share, representing the entire issued share capital of DLL, and the Sale Loan.

DLL is legally and beneficially interested in the DLL Properties which is a non-residential building located at Nos. 646, 648 & 648A Castle Peak Road, Kowloon, Hong Kong with a total saleable area of approximately 31,978 sq.ft. Upon completion of the 2nd Acquisition, DLL will become a wholly-owned subsidiary of the Company.

Condition precedent

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

1. the Agreement and the transactions contemplated herein duly approved by the shareholders' meeting of the Company in accordance with the Listing Rules;

2. a due diligence review being carried out on DLL by, and having been completed to the satisfaction of, Skill Master in its sole discretion;

3. no event having occurred which in the reasonable opinion of Skill Master could be construed as being capable of preventing completion of the Property Purchase Agreements, or which could frustrate or make illegal or impossible the completion of the Property Purchase Agreements or make any of them unenforceable; and

4. the warranties provided by the Seller under the Agreement remain true and accurate in all respects.

Consideration

The consideration for the Sale Share and the Sale Loan is HK$15,822,008 and HK$48,702,992 respectively amounted to a total of HK$64,525,000 shall be paid in cash as follows:

1. initial deposit in the sum of HK$42,293,000 has been paid to the Seller upon the signing of the Agreement;

2. further deposit in the sum of HK$15,200,000 has been paid to the Seller on 9 September 2016; and

3. the balance of HK$7,032,000 shall be paid to the Seller upon Completion.

The consideration of HK$64,525,000 was determined after arm's length negotiations between Skill Master and the Seller; and Skill Master has been taken into account of the following factors but without limitation to the:

1. the Group, via Goldchamp and TAI, is the owner of 21 units (including a AP common part);

2. the valuation provided by an independent valuer on the redevelopment site value of the DLL Properties is HK$178,265,000;

3. the favourable location of the DLL Properties which is at high traffic location with subways, MTR stations, commercial and industrial office, shopping malls, retail outlets and different types of restaurants;

4. the commission on the 2nd Acquisition is 9% of the Property Purchase Agreement which is below the market practice of the commission rate of 10% of the aggregate cost of the property purchase agreements; and

5. the potential in future development of a high rise composite commercial building.

The Group will fund the 2nd Acquisition from internal resources of the Group.

Acquisition of the Properties by DLL

DLL entered into 3 provisional agreements with 3 Property Vendors for the acquisition of the DLL Properties.

Details of the Property Purchase Agreements

	Unit	Date of Property Purchase Agreements	Undivided shares	Completion date in Property Purchase Agreement
1.	A2, G/F	8 July 2016	3/120	9 November 2016
2.	B1, G/F	8 July 2016	3/120	9 November 2016
3.	B2, G/F	8 July 2016	3/120	9 November 2016
4.	C2. G/F	8 July 2016	3/120	9 November 2016
5.	B, 4/F	1 July 2016	2/60	18 October 2016

The completion of the purchase of all the Property Purchase Agreements is expected to be in October 2016 and November 2016 respectively. The purchase price of the DLL Properties under the Property Purchase Agreements and the Supplemental Agreements is HK$175,800,000, which is lower than the valuation (HK$178,265,000) as stated in the valuation report in Appendix IV, therefore the Board considers the consideration for the 2nd Acquisition is fair and reasonable and in the interests of the Company and Shareholders as a whole.

Two of the DLL Properties are subject to the tenancy agreements that by the terms may still be in force at the latest time for completion of the Property Purchase Agreements. The following are the details of the 2 tenancies:

Unit	Tenancy Period	Monthly Rental Fees *HK$*
C2, G/F	01 December 2015 – 30 November 2018	75,000
B, 4/F	16 March 2015 – 15 March 2017	12,300

Based on the tenancy agreements, gas, water, telephone and electricity charges were borne by the respective tenants of the DLL Properties. No management fees have to be paid by tenants and landlords. For the year ended 31 March 2016, the government rates and rent levied on the DLL Properties were approximately HK$102,000 and HK$70,200 respectively which was borne by the landlords.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the tenant of each unit is an Independent Third Party.

DLL has paid a total deposit of HK$33,503,000 on 3 August 2016 to the Seller under the Agreement, of which HK$18,740,000 was paid under the Property Purchase Agreements (representing approximately 10.66% of the total consideration under all the Property Purchase Agreements); and (2) the balance of HK$14,763,000 was paid for the stamp duty. Before and upon completion of the Property Purchase Agreements, DLL have to pay further deposit and the balance of the consideration in the sum of HK$157,060,000 to the Property Vendors. If the Agreement completes on the Completion Date, DLL will then become a wholly-owned subsidiary of the Group. Hence, the Group will be responsible for paying the balance of the purchase price for the properties to the Property Vendors upon completion of the Property Purchase Agreements, through DLL.

The Group will fund the balance of the purchase price of the acquisition of the DLL Properties from internal resources of the Group.

AGGREGATE ACQUISITIONS

The aggregate purchase cost for the acquisition of the property purchase agreements of TAI Properties and DLL Properties is HK$381,910,000, whilst the aggregate consideration for the acquisition of the sale share of TAI and DLL is HK$34,371,916, therefore the aggregate cost for the purchase of GI Property, TAI, TAI Properties, DLL and DLL Properties is approximately HK$423,180,000. Pursuant to the valuation report in the Appendix IV, the redevelopment site value is HK$580 million, therefore the remaining balance of the amount to purchase the Remaining Units is approximately HK$156,820,000. The Board confirmed that they shall use their best efforts to acquire the Remaining Units for an amount of not exceeding HK$156,820,000, and will adhere to any further disclosure requirements under chapter 14 of the Listing Rules, including seeking further approval by the Shareholders, if required, before proceeding with further acquisition of the Remaining Units.

REASONS FOR AND BENEFITS OF THE AGGREGATE ACQUISITIONS

The Group's principal businesses are property investment, property development, securities investment and money lending business.

The Group currently holds various commercial, industrial and residential properties in Hong Kong, Singapore and the PRC. Goldchamp, a wholly-owned subsidiary of the Company, becomes the owner of Unit B, 1/F of the Building on 11 November 2015 ("**GI Property**"). The Group acquired the GI Property from a connected party at an acquisition cost of HK$6,800,000 and this transaction was approved by the independent Shareholders on 7 October 2015 and completed on 11 November 2015. Details of the transaction was set out in the Company's circular dated 14 September 2015.

As at the Latest Practicable Date, the Group via Goldchamp and TAI, both are the wholly-owned subsidiaries of the Company, owned 21 units (including a AP common part) of the Building.

DLL is the purchaser under the Property Purchase Agreements. The 2nd Acquisition will enable the Group to acquire the DLL Properties, which represents about 13.33% of the undivided shares of the Building; and when aggregate them with the GI Property and TAI Properties, the Group shall have 80% of the undivided shares of the Building (as contemplated by section 3(1) of the Ordinance). The Group intends to acquire the Remaining Units so as to be the owner of the whole Building and may contemplate to redevelop into a high rise composite commercial building if and when the Directors consider market sentiment to be appropriate. The Company will issue further announcement(s) to inform the Shareholders when the purchase of any of the Remaining Units are completed.

The 2nd Acquisition shall further pave way for the Group to redevelop the Building site into a high rise composite commercial building and the Company shall follow the legal procedures in redevelopment according to the Ordinance which summarizes in the paragraph on "PROCEDURES IN REDEVELOPMENT UNDER THE ORDINANCE" of the Announcement.

The Directors are of the view that for the potential in future development of the site into a high rise composite commercial building, the total consideration of the 2nd Acquisition and the transactions contemplated herein is in the interests of the Group and is on normal commercial terms, which are fair and reasonable and in the interests of the Shareholders as a whole.

As at the Latest Practicable Date, the Company has made known to the Seller that the Company has intention to purchase the Remaining Units via the Seller; and the negotiations between the Seller and the owners of the Remaining Units, Independent Third Parties, are ongoing. The Seller shall make its best effort to conclude the sale and purchase with the owners of the Remaining Units at a price with reference to comparables and the indication of the valuation provided by an independent valuer from time to time. The Company shall make application to the Lands Tribunal for an order to sell the undivided shares of the Building site for redevelopment purpose at the time when any of the owners are asking the purchase price which is unreasonable and much higher than the comparables and the indication of the valuation. As at the Latest Practicable Date, the Company does not have a concrete timing to submit the application under the Ordinance as it depends on, but without limitation to the success level in the ongoing negotiations with the owners of the Remaining Units and the sentiment in the property market for redevelopment.

Information on DLL

DLL was incorporated in the British Virgin Islands on 2 March 2016 and has never carried on any business save for entering into the Property Purchase Agreements. Accordingly, from the date of incorporation of DLL till to the date of the Agreement, there are no profits attributable to DLL. The net asset value of DLL as at 3 August 2016 is HK$8.00.

Its sole material assets are the 3 Property Purchase Agreements, the paid deposits, paid stamp duty and its rights under the Property Purchase Agreements. The liabilities of DLL consist of a debt as at the Completion Date (owed to the Seller) of HK$48,702,992 and its liabilities under the Property Purchase Agreements.

INFORMATION OF THE SELLER

The Seller is an experienced property agent and a negotiator to negotiate with the owners of the buildings which have the potential for redevelopment purpose and therefore the Seller is only aiming at to re-sell the DLL Properties to the developer on or before the completion of the Property Purchase Agreements, therefore the Seller has no intention to complete the Property Purchase Agreements by himself. The Seller started the negotiation process with the Property Vendors for more than a year and the relationship between the Property Vendors and the Seller is based on trust in terms of the Property Vendors believes that the Seller shall bargain with the developer for a good and reasonable price to acquire their units in a whole lot, therefore the Property Vendors themselves shall decline other offers provided by other developer and they will only sell the DLL Properties to the Seller. The Seller approached the management of the Company directly and made verbal offers to the Company in early January 2016 and the preliminary negotiation between the Company and the Seller commenced in June 2016.

PROCEDURES ON THE REDEVELOPMENT UNDER THE ORDINANCE

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

Under section 5(1) of the Ordinance, where a Sale Order is granted, the lot shall be sold by (a) public auction, or (b) by other means agreed in writing by each minority owner and Majority Owner of the lot and approved by the Lands Tribunal. Section 5(5) of the Redevelopment Ordinance requires that if the lot is to be sold by auction, it shall be sold to the highest bidder at the auction. It is stated in section 5(5)(b) of the Ordinance that nothing in the Ordinance shall operate to prevent the Majority Owner or the minority owner from being the purchaser of the lot.

Where the Majority Owner is the purchaser of the lot, under section 6 of the Ordinance, it is not required to pay the full purchase price for the lot to the trustees, but to pay not less than the proportion of the amount that the trustees calculate is necessary for it to purchase all the undivided shares in the lot not already owned by it.

The 2nd Acquisition shall pave way for the Group to redevelop the site of the Building.

The DLL Properties comprises 1 unit on the 4th floor and 4 units on ground floor. Pursuant to valuation report in Appendix IV, the valuer has made appropriate adjustments and analysis to the differences between the comparables and the DLL Properties such as location, size, time of transaction, age and quality of the Building, etc. The adjusted unit rates of upper floor comparables is in the range of about HK$3,543 to HK$4,056 per sq.ft. The Board confirmed that the purchase price of the upper unit of the DLL Properties falls within this range.

The Board noted that the unit price of the ground floor unit is much higher than the upper floor unit because of its commercial value and this practice follows market trend. Pursuant to the valuation report in Appendix IV, the unit price of the comparables on the ground floor range from HK$33,603 to HK$50,120 per sq.ft. The Board confirmed that the purchase price of ground floor units of the DLL Properties falls with this range.

The Directors believes that the Consideration of the 2nd Acquisition and the transactions contemplated herein is in the interests of the Group and is on normal commercial terms, which are fair and reasonable and in the interests of the Group and the Shareholders as a whole.

FINANCIAL EFFECTS OF THE 2ND ACQUISITION

Earnings

Based on the unaudited pro forma consolidated statement of profit or loss and other comprehensive income of the Enlarged Group as set out in Appendix III, the 2nd Acquisition will have no material impact on the Group's earnings.

Assets and Liabilities

Based on the unaudited pro forma consolidated statement of assets and liabilities of the Enlarged Group as set out in Appendix III of this circular, the effect of the 2nd Acquisition is that (i) the deposits paid for properties held for development by the Group will increase by approximately HK$65 million and (ii) the cash reserve will decrease by approximately HK$65 million. The 2nd Acquisition will have no potential effect on the Group's liabilities because the Group will only utilize its internal resources for the expenses and costs incurred in the 2nd Acquisition and the purchase of the properties.

The Directors are of the view that the 2nd Acquisition and the purchase of the properties as a whole is in the interest of the Group and is on normal commercial terms, which are fair and reasonable and in the interest of the Shareholders as a whole. Accordingly, the Directors would recommend the Shareholders to vote in favour of the resolution approving the 2nd Acquisition in the forthcoming special general meeting.

INFORMATION ON THE COMPANY AND THE PURCHASER

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

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

SGM

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

A notice convening the SGM to be held on Friday, 7 October 2016 at 9:10 a.m. at Block A, 7th Floor, Hong Kong Spinners Building, Phase 6, 481-483 Castle Peak Road, Cheung Sha Wan, Kowloon, Hong Kong for the purpose of considering and, if thought fit, approving, among other things, the Acquisition is set out on pages N-1 to N-2 of this circular.

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

IMPLICATIONS UNDER THE LISTING RULES

The applicable percentage ratios of the 2nd Acquisition exceed 25% but are less than 100%, the 2nd Acquisition which constitutes a major transaction for the Company under Rule 14.06(3) of the Listing Rules, but when aggregates the consideration for the 1st Acquisition and 2nd Acquisition, the applicable percentage ratios exceed 100% for the Company and therefore the Aggregate Acquisitions shall classify as a very substantial acquisition and is subject to the reporting, announcement and shareholders' approval requirements under the Listing Rules.

RECOMMENDATION

The Board considers that the terms of the Agreement and the Supplemental Agreements are fair and reasonable and in the interest of the Company and Shareholders as a whole. The Board therefore recommends the Shareholders to vote in favour of the ordinary resolution to be proposed at the SGM to approve the 2nd Acquisition, Aggregate Acquisitions and matters ancillary thereto as set out in the notice of SGM.

ADDITIONAL INFORMATION

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

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

1. FINANCIAL SUMMARY OF THE GROUP

(i) Annual reports of the Group

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

For the year ended	Publication date of annual report	Pages
31 March 2016	15 July 2016	61 – 157
(http://www.eminence-enterprise.com/wp-content/uploads/2016/Annual/e_2015-Annual-Report.pdf)		
31 March 2015	21 July 2015	60 – 145
(http://www.eminence-enterprise.com/wp-content/uploads/Financial_Reports/2014-Annual-Report.pdf)		
31 March 2014	09 July 2014	52 – 146
(http://www.eminence-enterprise.com/wp-content/uploads/Financial_Reports/2013-Annual-Report.pdf)		

<u>For the year ended 31 March 2014</u>

Overall

For the year ended 31 March 2014, the Group recorded a turnover of HK$156,940,000, representing a decrease of HK$66,816,000 or 29.9% from HK$223,756,000 for the year 2013. Loss attributable to owners of the Company for the year ended 31 March 2014 amounted to HK$2,541,000 (2013: profit of HK$4,695,000). The loss was mainly attributable to a change from gain of HK$5,758,000 to a loss of HK$2,877,000 on fair value changes of investments held for trading; and loss of HK$1,439,000 on fair value changes of financial assets designated at fair value through profit or loss. Despite there was a significant decrease in loss on changes in fair value of investment properties but there was no one off gain arising from the discontinued operations, therefore the Group still recorded a loss for the year ended 31 March 2014 as compared to the year 2013.

The basic loss per share from continuing and discontinued operations for the year ended 31 March 2014 was HK$0.012 (2013: basic earnings per share of HK$0.194).

The Board does not recommend the payment of final dividend for the year ended 31 March 2014 (2013: nil).

During the year, the Group was principally engaged in the business of garment sourcing and export businesses, property investments, investment in securities and loan financing.

Geographical analysis of turnover

During the year ended 31 March 2014, the turnover from garment sourcing and export businesses was mainly derived from customers in the US. Rental income from the investment properties were derived from properties located in Hong Kong and the People's Republic of China ("PRC").

(i) Garment sourcing and export businesses

For the year ended 31 March 2014, this segment recorded a turnover of HK$142,138,000 (2013: HK$211,770,000) representing 32.9% decrease comparing with year 2013. Cost of sales for the year ended 31 March 2014 amounted to HK$126,790,000 (2013: HK$190,157,000). The loss of HK$4,908,000 (2013: loss of HK$1,601,000) was mainly due to the decrease of turnover despite the Company's efforts to improve the profit margin.

(ii) Property investments

Turnover from the property investments segment increased by 18.2% to HK$13,927,000 for the year ended 31 March 2014 (2013: HK$11,780,000) of which HK$8,307,000 and HK$5,620,000 were generated from the properties in Hong Kong and the PRC respectively. The increase in turnover is primarily attributed to the addition of the investment properties, the effect of tenancy renewal, periodic rental adjustments under the clauses of the existing tenancy agreements and new tenants.

The Group has three blocks of factory premises and four blocks of dormitories with a total gross floor area of approximately 63,891 sq.m. in Huzhou, PRC; further construction works are on hand.

(iii) Investment in securities

The Group has maintained a portfolio of listed equity securities in Hong Kong with available-for-sale investments and investments held for trading. For the year ended 31 March 2014, this segment has recorded a loss of HK$1,738,000 (2013: profit of HK$7,472,000).

Liquidity and financial resources

As at 31 March 2014, total assets of the Group amounted to HK$1,389,502,000 (2013: HK$1,003,979,000). In terms of financial resources as at 31 March 2014, the Group's total bank balances and cash was HK$589,458,000 (2013: HK$277,411,000), of which, approximately RMB61 million (equivalent to approximately HK$75 million) was tied up in the PRC as investment capital.

The Company's capital base has been strengthened as a result of a total net proceeds of approximately HK$386,700,000 raised through the completion of issuing rights shares of approximately HK$122,000,000 and approximately HK$146,000,000 on 19 June 2013 and 13 December 2013 respectively; by the completion of placing new shares of approximately HK$20,000,000 on 24 September 2013; and by the completion of issuing convertible note of approximately HK$98,700,000 on 27 March 2014.

As at 31 March 2014, the Group has total bank borrowings of HK$161,902,000 (2013: HK$168,687,000). The Group's gearing ratio, which is calculated as a ratio of total bank borrowings to shareholders' equity was approximately 0.14 (2013: 0.21). As at 31 March 2014, the Group's current ratio was 19.7 (2013: 11.9).

The Group financed its operation primarily with recurring cash flow generated from its operation, proceeds raised from the capital market and bank financing.

Fund raising

(i) On 11 September 2013, the Company entered into a placing agreement with a placing agent pursuant to which, the Company has agreed to allot and issue, and the placing agent has agreed to place 329,540,000 placing shares to independent investors at a placing price of HK$0.063 per share.

The placing was completed on 24 September 2013 and the entire 329,540,000 placing shares have been successfully placed. The aggregate net proceeds amounted to approximately HK$20,000,000 and intended to be utilised as the general working capital, as at the date of the announcement, the same has been fully deployed as general working capital.

(ii) On 27 March 2014, the Company completed the issue of a convertible note (the "**Convertible Note**") in an aggregate principal amount of HK$100,000,000 to Goodco Development Limited, which is a substantial shareholder of the Company. The net proceeds of approximately HK$98,700,000 raised from the issue of the Conversion Note is intended to be applied for the acquisition and redevelopment of the buildings located at No. 11, 13 and 15 Matheson Street, Causeway Bay, Hong Kong.

As at 31 March 2014, the total number of issued ordinary shares of the Company was 296,595,900 shares (2013: 411,941,500 shares).

Details of Convertible Note

On 3 April 2014, the conversion rights attaching to the Convertible Note have been partially exercised for HK$20,000,000 and a total of 29,411,764 conversion shares were issued upon conversion. Upon the completion of the placing of 65,200,000 placing shares on 18 June 2014, the conversion price of the Convertible Note has been adjusted from HK$0.68 per share to HK$0.66 per share.

Charge on assets

As at 31 March 2014, the Group had bank loans amounting to HK$161,902,000 (2013: HK$168,687,000) which were secured by the investment properties of the Group with an aggregate net book value of HK$372,000,000 (2013: HK$372,000,000).

Material acquisitions and disposals

The Group had no material acquisitions or disposals of subsidiaries or associated companies for the year ended 31 March 2014.

Exposure on foreign exchange fluctuations

Most of the Group's revenues and payments are in US dollars, Hong Kong dollars and Renminbi. During the year, the Group did not have significant exposure to the fluctuation in exchange rates and thus, no financial instrument for hedging purposes was employed. The directors considered the risk of exposure to the currency fluctuation to be minimal.

Contingent liabilities

The Group did not have any significant contingent liabilities as at 31 March 2014 (2013: nil).

Capital expenditure and capital commitments

During the year ended 31 March 2014, the Group spent approximately HK$551,000 (2013: HK$8,915,000) on the acquisition of property, plant and equipment, and spent approximately HK$28,410,000 (2013: HK$279,422,000) on addition of investment properties.

As at 31 March 2014, the Group had capital commitments in respect of capital expenditure contracted for but not provided of HK$14,311,000 (2013: HK$5,016,000).

Changes in fair value of investment properties

During the year ended 31 March 2014, there was a decrease of 97.9% in the loss on changes in fair value of investment properties to HK$660,000 (2013: loss of HK$30,790,000).

Finance costs

Finance costs was HK$4,577,000, increased by HK$487,000 or 11.9% for the year from HK$4,090,000 in 2013.

Employees

As at 31 March 2014, the Group had 38 employees (2013: 39). Staff costs (including directors' emoluments) amounted to HK$15,107,000 for the year under review (2013: HK$13,705,000). The Group remunerates its employees based on their performance, experience and prevailing industry practice. The Group has set out the Mandatory Provident Fund Scheme for the Hong Kong's employees and has made contributions to the state-sponsored pension scheme operated by the PRC government for the PRC employees. The Group has a share option scheme to motivate valued employees.

For the year ended 31 March 2015

Overall

For the year ended 31 March 2015, the Group recorded a turnover of HK$192,489,000, representing an increase of HK$35,549,000 or 22.7% from HK$156,940,000 for the year 2014.

Profit attributable to owners of the Company for the year ended 31 March 2015 amounted to HK$31,086,000 (2014: loss of HK$2,541,000). The gain was mainly attributable to the gain on fair value changes of investments held for trading of approximately HK$40 million.

The basic earnings per share for the year ended 31 March 2015 was HK$2.757 (2014: restated basic loss per share of HK$2.300).

The Board does not recommend the payment of final dividend for the year ended 31 March 2015 (2014: nil).

During the year, the Group was principally engaged in garment sourcing and export businesses, property investment, property development, investment in securities and loan financing.

Geographical Analysis of Turnover

During the year, the turnover from garment sourcing and export businesses was mainly derived from customers in the United States ("**US**"). Rental income from the investment properties were derived from properties located in Hong Kong and the People's Republic of China ("**PRC**").

(i) Garment Sourcing and Export Businesses

For the year ended 31 March 2015, this segment recorded a turnover of HK$172,082,000 (2014: HK$142,138,000) representing 21.1% increase comparing with year 2014. Cost of sales for the year amounted to HK$155,172,000 (2014: HK$126,790,000). The loss of HK$3,660,000 (2014: HK$4,908,000) was mainly due to the increasing sourcing and labour costs.

(ii) Property Investment

Turnover from the property investment segment increased by 38.3% to HK$19,256,000 for the year ended 31 March 2015 (2014: HK$13,927,000) of which HK$11,483,000 and HK$7,773,000 were generated from the properties in Hong Kong and the PRC respectively. The increase in turnover is primarily attributed to the completion of construction of investment properties in Huzhou, the PRC, the addition of the investment properties, the effect of tenancy renewal, periodic rental adjustments under the clauses of the existing tenancy agreements and new tenants.

On 30 April 2014, Main Lucky Enterprises Limited, a wholly owned subsidiary of the Company, entered into a provisional sale and purchase agreement with an independent third party to acquire a property situated at the ground floor, No. 15 Matheson Street, Causeway Bay, Hong Kong at a consideration of HK$236,800,000. This transaction was approved by the shareholders in the special general meeting held on 18 June 2014 and the completion of sale and purchase took place on 20 August 2014.

The Group has 8 blocks of factory premises and 4 blocks of dormitories with a total gross floor areas of approximately 89,229 sq.m. in Huzhou, PRC.

(iii) Property Development

On 5 September 2014, the Company and Easyknit Properties Holdings Limited, a wholly-owned subsidiary of Easyknit International Holdings Limited, entered into a sale and purchase agreement in relation to the sale and purchase of the sale share of Kingbest Capital Holdings Limited (as supplemented by an agreement entered into on 15 September 2014 by the Company and Easyknit Properties Holdings Limited, whereby the Company will indirectly acquire the site located at No. 14 and 16 Inverness Road, Kowloon Tong, Kowloon, Hong Kong and the sale loan at a consideration of HK$340 million). This transaction was approved by the independent shareholders in the special general meeting held on 20 October 2014 and the completion of sale and purchase took place on 21 November 2014.

On 30 October 2014, Land Bloom Holdings Limited, a wholly owned subsidiary of the Company, entered into five provisional sale and purchase agreements with independent third parties to acquire the 8 properties situated at No. 18 and 20 Inverness Road, Kowloon Tong, Kowloon, Hong Kong at an aggregate consideration and other related expenses of HK$169,500,000. This transaction was approved by the shareholders in the special general meeting held on 12 January 2015 and the completion of sale and purchase took place on 15 January 2015.

The Group planned to redevelop No. 14, 16, 18 and 20 Inverness Road, Kowloon Tong, Kowloon, Hong Kong (the "**Inverness Road Project**"). The general building plan to redevelop the Inverness Road Project has been submitted to Buildings Department in January 2015. The demolition works at No. 14 and 16 Inverness Road has been completed and the demolition works at No. 18 and 20 Inverness Road has also commenced in May 2015.

On 18 March 2015, Chancemore Limited, a wholly owned subsidiary of the Company, entered into ten provisional sale and purchase agreements with independent third parties to acquire ten property units situated at 1st floor, 2nd floor, 3rd floor, 4th floor; 5th floor and the roof of No. 11 and 13 Matheson Street, Causeway Bay, Hong Kong at an aggregate consideration and the related expenses of HK$183,000,000. This transaction was approved by the shareholders in the special general meeting held on 11 May 2015 and the completion of sale and purchase took place on 17 June 2015.

(iv) Investment in Securities

The Group has maintained a portfolio of listed equity securities in Hong Kong with available-for-sale investments and investments held for trading. For the year ended 31 March 2015, this segment has recorded a gain of HK$43,853,000 (2014: loss of HK$1,738,000).

Liquidity and Financial Resources

As at 31 March 2015, total assets of the Group amounted to HK$1,919,181,000 (2014: HK$1,389,502,000). In terms of financial resources as at 31 March 2015, the Group's total bank balances and cash was HK$204,234,000 (2014: HK$589,458,000), of which, approximately RMB52 million (equivalent to approximately HK$64 million) was tied up in the PRC as investment capital.

As at 31 March 2015, our capital base has been strengthened as a result of an aggregate net proceeds of approximately HK$357,600,000 raised through the completion of 2 placings of new shares of approximately HK$22,500,000 and approximately HK$23,100,000 on 18 June 2014 and 22 August 2014 respectively; and by the completion of issuing rights shares of approximately HK$312,000,000 on 14 November 2014. As at the date of this report, our capital case has been further strengthened as a results of a net proceeds of approximately HK$326,000,000 raised through the completion of issuing rights shares on 22 April 2015.

As at 31 March 2015, the Group has total bank borrowings of HK$293,925,000 (2014: HK$161,902,000). The Group's gearing ratio, which is calculated as a ratio of total bank borrowings to shareholders' equity was approximately 0.19 (2014: 0.14). As at 31 March 2015, the Group's current ratio was 5.4 (2014: 19.7).

The Group financed its operation primarily with recurring cash flow generated from its operation, proceeds raised from the capital market and bank financing.

Fund Raising

(i) On 6 June 2014, the Company entered into a placing agreement with a placing agent pursuant to which, the Company has agreed to allot and issue, and the placing agent has agreed to place 65,200,000 placing shares to independent investors at a placing price of HK$0.35 per share.

    The placing was completed on 18 June 2014 and the entire 65,200,000 placing shares have been successfully placed. The aggregate net proceeds amounted to approximately HK$22,500,000 and intended to be utilised as the general working capital. As at the date of this report, the same has been fully deployed as general working capital.

(ii) On 11 August 2014, the Company entered into a placing agreement with a placing agent pursuant to which, the Company has agreed to allot and issue, and the placing agent has agreed to place 78,000,000 placing shares to independent investors at a placing price of HK$0.30 per share.

The placing was completed on 22 August 2014 and the entire 78,000,000 placing shares have been successfully placed. The aggregate net proceeds amounted to approximately HK$23,100,000 and intended to be utilised as the general working capital. As at the date of this report, the same has been fully deployed as general working capital.

(iii) On 5 September 2014, the Board proposed, upon completion of the First Capital Reorganisation, to raise a net proceeds of approximately HK$312,000,000 by way of the rights issue of 450,132,472 rights shares at a subscription price of HK$0.70 per rights share on the basis of eight rights shares for every one adjusted share held on the record date (the "**First Rights Issue**").

Independent shareholders' approval for the First Rights Issue has been obtained at the special general meeting of the Company held on 20 October 2014 and the First Rights Issue has become unconditional on 14 November 2014. The dealings of fully paid rights shares has been commenced on 20 November 2014. Further details of the First Rights Issue are set out in the Company's prospectus dated 27 October 2014.

The net proceeds of the First Rights Issue of approximately HK$310 million has been fully utilized for the acquisition of No. 14 and 16 Inverness Road.

(iv) On 2 February 2015, the Board proposed, upon completion of the Second Capital Reorganisation, to raise a net proceeds of approximately HK$326,000,000 by way of the rights issue of 506,399,020 rights shares at a subscription price of HK$0.65 per rights share on the basis of twenty rights shares for every one adjusted share held on the record date (the "**Second Rights Issue**").

Independent shareholders' approval for the Second Rights Issue has been obtained at the special general meeting of the Company held on 24 March 2015 and the Second Rights Issue has become unconditional on 22 April 2015. The dealings of fully paid rights shares has been commenced on 27 April 2015. Further details of the Second Rights Issue are set out in the Company's prospectus dated 1 April 2015.

The net proceeds of the Second Rights Issue is approximately HK$326 million, of which approximately HK$260 million are intended to be used for the redevelopment of Inverness Road Project and the remaining balance of approximately HK$66 million for general corporate purposes. As at the date of this report, approximately HK$242,000 has been utilised in Inverness Road Project and HK$66,000,000 has been utilized as general corporate purposes.

As at 31 March 2015, the total number of issued ordinary shares of the Company was 25,319,951 shares (2014: 296,595,900 shares).

Charge on Assets

As at 31 March 2015, the Group had bank loans amounting to HK$293,925,000 (2014: HK$161,902,000) which were secured by the investment properties and properties held for development for sale of the Group with an aggregate net book value of HK$713,027,000 (2014: HK$372,000,000).

Material Acquisitions and Disposals

On 5 September 2014, the Company and Easyknit Properties Holdings Limited, a wholly-owned subsidiary of Easyknit International Holdings Limited, entered into a sale and purchase agreement in relation to the sale and purchase of the sale share of Kingbest Capital Holdings Limited (as supplemented by an agreement entered into on 15 September 2014 by the Company and Easyknit Properties Holdings Limited, whereby the Company will indirectly acquire the site located at No. 14 and 16 Inverness Road, Kowloon Tong, Kowloon, Hong Kong and the sale loan at a consideration of HK$340 million). The independent shareholders' approval of the resolution relating to the acquisition has been obtained in the special general meeting of the Company held on 20 October 2014 and the acquisition has been completed on 21 November 2014. Upon the completion, Kingbest Capital Holdings Limited becomes a directly held wholly owned subsidiary of the Company.

Save as disclosed above, the Group had no material acquisitions or disposals of subsidiaries or associated companies for the year ended 31 March 2015.

Exposure on Foreign Exchange Fluctuations

Most of the Group's revenues and payments are in US dollars, Hong Kong dollars and Renminbi. During the year, the Group did not have significant exposure to the fluctuation in exchange rates and thus, no financial instrument for hedging purposes was employed. The directors considered the risk of exposure to the currency fluctuation to be minimal.

Contingent Liabilities

The Group did not have any significant contingent liabilities as at 31 March 2015 (2014: nil).

Capital Expenditure and Capital Commitments

During the year under review, the Group spent approximately HK$183,000 (2014: HK$551,000) on the acquisition of property, plant and equipment, and spent approximately HK$291,619,000 (2014: HK$28,410,000) on addition of investment properties.

As at 31 March 2015, the Group had capital commitments in respect of capital expenditure contracted for but not provided of HK$764,000 (2014: HK$14,311,000).

Changes in Fair Value of Investment Properties

During the year under review, there was an increase of 1,135.6% in the loss on changes in fair value of investment properties to HK$8,155,000 (2014: loss of HK$660,000).

Finance Costs

Finance costs was HK$6,541,000, increased by HK$1,964,000 or 42.9% for the year from HK$4,577,000 in 2014.

Employees

As at 31 March 2015, the Group had 39 employees (2014: 38). Staff costs (including directors' emoluments) amounted to HK$15,982,000 for the year under review (2014: HK$15,107,000). The Group remunerates its employees based on their performance, experience and prevailing industry practice. The Group has set out the Mandatory Provident Fund Scheme for the Hong Kong's employees and has made contributions to the state-sponsored pension scheme operated by the PRC government for the PRC employees. The Group has a share option scheme to motivate valued employees.

<u>For the year ended 31 March 2016</u>

Overall

For the year ended 31 March 2016, the Group recorded a turnover of HK$103,439,000, representing a decrease of HK$89,050,000 or 46.3% from HK$192,489,000 for the year 2015.

Loss attributable to owners of the Company for the year ended 31 March 2016 amounted to HK$69,268,000 (2015: profit of HK$31,086,000). The loss was mainly attributable to the loss on fair value changes of investment properties in Hong Kong of approximately HK$33,399,000, the impairment loss recognised in the Project Inverness which is a property under development for sale is HK$15,511,000 and the fair value losses on investment held for trading, bonds and equity linked notes.

The basic loss per share for the year ended 31 March 2016 was HK$0.14 (2015: basic earnings per share was HK$100.04).

The Board does not recommend the payment of final dividend for the year ended 31 March 2016 (2015: nil).

During the year, the Group was principally engaged in the property investment, comprising the ownership and rental of investment properties, property development, garment sourcing and export businesses, securities investment and loan financing business.

Geographical Analysis of Turnover

During the year, the turnover from garment sourcing and export businesses was mainly derived from customers in the US. Rental income from the investment properties were derived from properties located in Hong Kong, Singapore and the People's Republic of China ("**PRC**").

(i) Property Investment

Turnover from the property investment segment increased by 23.5% to HK$23,786,000 for the year ended 31 March 2016 (2015: HK$19,256,000). The increase in turnover is primarily attributed to the addition of the investment properties, the effect of tenancy renewal, periodic rental adjustments under the clauses of the existing tenancy agreements and new tenants.

The additional investment properties are referred to the Company's acquisitions in November 2015 in which a total of 11 properties comprises 6 residential units (3 units in Hong Kong and 3 units in Singapore), 5 industrial units were acquired by the Company for a total consideration of HK$240 million.

The Group has 9 blocks of factory premises and 4 blocks of dormitories with a total gross floor areas of approximately 95,379 sq.m. in Huzhou, PRC.

(ii) Property Development

Project Matheson

The Company had filed an application to the Lands Tribunal in December 2015 for an order to sell all the undivided shares in a building located at Nos. 11 and 13 Matheson Street, Causeway Bay, Hong Kong aimed at to acquire the last unit ("**Remaining Unit**") of the building for redevelopment purpose. It is in the mediation process between the Company and the owner of the Remaining Unit and the sale order may be granted in late 2016 but it depends on, amongst other things, the response time by the owner of Remaining Unit.

Project Inverness

The Project Inverness is a property development project located at No. 14, 16, 18 and 20 Inverness Road, Kowloon Tong, Kowloon, Hong Kong. The general building plan and application for the land exchange were submitted to Buildings Department and Lands Department respectively in January 2016. The foundation work was commenced in January 2016 and is scheduled to be completed in September 2016; the launch of the sale is expected in year 2018.

(iii) Garment Sourcing and Export Businesses

For the year ended 31 March 2016, this segment recorded a turnover of HK$75,208,000 (2015: HK$172,082,000) representing 56.3% decrease comparing with year 2015, and recorded a loss of HK$8,067,000 (2015: loss of HK$3,660,000). This is mainly due to the decrease in sales volume with the major customers, the intensive competition in terms of pricing and transferring of customer orders.

(iv) Securities Investment

The Group has maintained a securities portfolio with a strategy of diversification to reduce effects of price fluctuation of any single securities.

For the year ended 31 March 2016, the Group held trading securities in the amount of HK$5,944,000 as compared to HK$91,557,000 as at 31 March 2015, representing a 93.5% decrease. It was derived from: (1) the disposal of trading securities during the year which had a cost or fair value as at 31 March 2015 of HK$99,532,000; and (2) purchase of trading securities of HK$20,251,000 during the year; and (3) net decrease in market value in the amount of HK$6,332,000 of the trading securities. This segment recorded a loss of HK$11,354,000 during the year (2015: profit of HK$43,853,000).

(v) Loan Financing

For the year ended 31 March 2016, this segment recorded a turnover of HK$4,445,000 (2015: HK$1,151,000) representing 286.2% increase comparing with the year 2015.

Financial Review

	Year ended 31 March		
	2016	**2015**	**Change**
	HK$'000	*HK$'000*	*HK$'000*
Turnover	**103,439**	192,489	(89,050)
Gross profit	**36,438**	37,317	(879)
Gross profit margin	**35.2%**	19.4%	15.8%
Distribution and selling expenses	**(1,762)**	(4,582)	2,820
Administrative expenses	**(30,429)**	(31,181)	752
Finance costs	**(15,099)**	(6,541)	(8,558)
(Loss) profit before taxation	**(61,238)**	35,118	(96,356)
Taxation	**(8,030)**	(4,032)	(3,998)
(Loss) profit for the year and attributable to owners of the Company	**(69,268)**	31,086	(100,354)
Net (loss) profit margin	**(67.0)%**	16.1%	(83.1)%
(Loss) earnings per share			
Basic	**(HK$0.14)**	HK$100.04	(HK$100.18)

Revenue

Group revenue for the year ended 31 March 2016 reduced by 46.3% to HK$103,439,000 compared with last year. The decrease in revenue was largely caused by the decrease in sales volume in garment sourcing and export businesses, which offset the increase in the rental income of property investment segment.

Gross Profit/Margin

Gross profit for this year was HK$36,438,000, a slight decrease of HK$879,000 or 2.4% compared to the HK$37,317,000 in last year. Gross profit margin for this year increased from 19.4% to 35.2%.

Loss before Taxation

Loss before taxation for the year ended 31 March 2016 was HK$61,238,000, as compared with last year profit before taxation of HK$35,118,000. It was mainly due to loss on changes in fair value of investment properties, impairment losses on properties held for development for sale and fair value loss on investment held for trading, bonds and equity linked notes.

Selling and distribution costs declined from HK$4,582,000 to HK$1,762,000, a decrease of 61.5% compared with the last year. It was mainly attributable to the reduction of turnover of garment sourcing and exporting businesses.

Administrative expenses were HK$30,429,000, a slight decrease of 2.4% over last year of HK$31,181,000.

During the year under review, there was an increase of 309.6% in the loss on changes in fair value of investment properties to HK$33,399,000 (2015: loss of HK$8,155,000).

Finance costs was HK$15,099,000, increased by HK$8,558,000 or 130.8% for the year from HK$6,541,000 in 2015, of which HK$8,290,000 is the effective interest expense on convertible notes.

(Loss) Profit Attributable to Shareholders and (Loss) earnings per Share

Loss attributable to shareholders of the Company for the year ended 31 March 2016 was HK$69,268,000, as compared to last year profit of HK$31,086,000. Net loss margin is increased from 67.0% as compared to net profit margin last year of 16.1%.

Taxation charges increased from HK$4,032,000 in last year to HK$8,030,000 in this year.

Basic loss per share for the year 31 March 2016 were HK$0.14 as compared to basic earnings per share HK$100.04 in last year.

Liquidity and Financial Resources

As at 31 March 2016, total assets of the Group amounted to HK$2,574,086,000 (2015: HK$1,919,181,000). In terms of financial resources as at 31 March 2016, the Group's total bank balances and cash was HK$465,279,000 (2015: HK$204,234,000), of which, approximately RMB50 million (equivalent to approximately HK$60 million) was tied up in the PRC as investment capital.

As at 31 March 2016, the capital base has been strengthened because of an aggregate net proceeds of HK$831,000,000 was raised from (1) the completion of issuing the rights shares in April 2015 and November 2015 for a total of HK$326 million and HK$505 million respectively; and (2) the completion of issuing a convertible note in June 2015 ("**2015 Convertible Note**") for a principal amount of HK$86 million.

As at 31 March 2016, the Group has total bank borrowings of HK$100,087,000 (2015: HK$293,925,000). The Group's gearing ratio, which is calculated as a ratio of total bank borrowings to shareholders' equity was approximately 0.04 (2015: 0.19). As at 31 March 2016, the Group's current ratio was 9.1 (2015: 5.4).

The Group financed its operation primarily with recurring cash flow generated from its operation, proceeds raised from the capital market and bank financing.

Capital Reorganisation

On 6 August 2015, the Company announced the Board proposed to effect the capital reorganisation (the "**Capital Reorganisation**") involving:

(a) share consolidation: that every ten issued and unissued then existing shares of HK$0.01 each be consolidated into one consolidated share of par value HK$0.10 each (the "**Consolidated Share**");

(b) capital reduction: that (i) the issued share capital of the Company be reduced by the cancellation of the paid-up capital of the Company to the extent of HK$0.09 on each of the then issued Consolidated Shares such that the par value of each issued Consolidated Share be reduced from HK$0.10 to HK$0.01; (ii) the authorised share capital of the Company be reduced by reducing the par value of all Consolidated Shares in the authorised share capital of the Company from HK$0.10 each to HK$0.01 each, resulting in the reduction of the authorised share capital of the Company from HK$200,000,000 divided into 2,000,000,000 Consolidated Shares to HK$20,000,000 divided into 2,000,000,000 ordinary shares of par value HK$0.01 each (the "**Adjusted Shares**"); and (iii) the credit arising from the reduction of the issued share capital of the Company be transferred to the Company's contributed surplus account; and

(c) authorised capital increase: that the authorised share capital of the Company be increased from HK$20,000,000 divided into 2,000,000,000 Adjusted Shares to HK$200,000,000 divided into 20,000,000,000 Adjusted Shares.

Shareholders' approval for the Capital Reorganisation has been obtained at the special general meeting of the Company held on 7 October 2015 and the Capital Reorganisation became effective on 8 October 2015. Further details of the Capital Reorganisation are set out in the Company's circular dated 14 September 2015.

Fund Raising

(i) On 12 June 2015, the Company completed the issue of 2015 Convertible Note in an aggregate principal amount of HK$86,000,000 to Madian Star Limited, an independent third party. The net proceeds of HK$86,000,000 raised from the issue of the 2015 Convertible Note is intended to be applied for the general working capital of the Group.

For the net proceeds, it has been fully utilized for (1) HK$25.7 million for the acquisition of the ground floor of No. 15 Matheson Street, Causeway Bay, Hong Kong; (2) HK$55.9 million for the securities investment; and (3) HK$4.3 million for the settlement of trade payable.

(ii) On 6 August 2015, the Board proposed, upon completion of the Capital Reorganisation, to raise a gross proceeds of HK$510,000,000 by way of the rights issue of 1,063,437,940 rights shares at a subscription price of HK$0.48 per rights share on the basis of twenty rights shares for every one Adjusted Share held on the record date (the "**Rights Issue**").

Independent shareholders' approval for the Rights Issue has been obtained at the special general meeting of the Company held on 7 October 2015 and the dealings of fully paid rights shares was commenced on 9 November 2015. Further details of the Rights Issue are set out in the Company's prospectus dated 14 October 2015.

The net proceeds of the Rights Issue was approximately HK$505 million of which (1) HK$240 million were intended to purchase the sale shares and sale loan of a properties group; (2) HK$139 million for the repayment of bank loan; (3) HK$30 million to be earmarked as deposit for the acquisition of the remaining unit at ground floor of No. 11 Matheson Street, Causeway Bay, Hong Kong or for potential investment; (4) HK$70 million to be applied for the segments of securities investment and loan financing; and (5) the remaining HK$26 million as general corporate purposes.

As at the date of this report, all the net proceeds raised from the Rights Issue have been fully utilised except the amount of HK$30 million earmarked for the acquisition of the remaining unit in Matheson Street has not been utilised. The actual use of the net proceeds is utilized according to the intended use, of which (1) HK$240 million for the purchase of the sale shares and the sale loan of a properties group; (2) HK$139 million for the repayment of bank loan; (3) HK$24.5 million for the securities investment; HK$45.5 million for loan financing business; (4) HK$10.3 million for settlement of trade payable; HK$2 million for daily operating expenses and HK$13.7 million for repayment of bank loans and finance cost.

As at 31 March 2016, the total number of issued ordinary shares of the Company was 1,116,609,837 shares (31 March 2015: 25,319,951 shares).

Charge on Assets

As at 31 March 2016, the Group had bank loans amounting to HK$100,087,000 (2015: HK$293,925,000) which were secured by the investment properties of the Group with an aggregate net book value of HK$208,196,000 (2015: HK$713,027,000).

Material Acquisitions and Disposals

On 6 August 2015, the Company entered into 4 sets of sale and purchase agreements in relation to the purchase of the sale shares and sale loans of the properties group for a total consideration of HK$240 million from a connected party. The properties group has 11 properties comprises 6 residential units (3 units in Hong Kong and 3 units in Singapore) and 5 industrial units. These transactions were approved by independent Shareholders on 7 October 2015 and the completion date of these transactions was 11 November 2015.

Save as disclosed above, the Group had no material acquisitions or disposals of subsidiaries or associated companies for the year ended 31 March 2016.

Exposure on Foreign Exchange Fluctuations

Most of the Group's revenues and payments are in US dollars, Hong Kong dollars, Singapore dollars and Renminbi. During the year, the Group did not have significant exposure to the fluctuation in exchange rates and thus, no financial instrument for hedging purposes was employed. The directors considered the risk of exposure to the currency fluctuation to be minimal.

Contingent Liabilities

The Group did not have any significant contingent liabilities as at 31 March 2016 (2015: nil).

Capital Expenditure and Capital Commitments

Capital Expenditure

For the year ended 31 March 2016, the Group invested HK$90,000 (2015: HK$183,000) in the purchase of property, plant and equipment, and spent HK$214,936,000 (2015: HK$291,619,000) on addition of investment properties. These capital expenditures were financed from internal resources and funds from previous fund raising activities of the Company.

Capital Commitments

As at 31 March 2016, the Group had capital commitments in respect of capital expenditure contracted for but not provided in respect of investment properties of HK$5,241,000 (2015: HK$764,000).

Employees

As at 31 March 2016, the Group had 40 employees (2015: 39). Staff costs (including directors' emoluments) amounted to HK$16,501,000 for the year under review (2015: HK$15,982,000). The Group remunerates its employees based on their performance, experience and prevailing industry practice. The Group has set out the Mandatory Provident Fund Scheme for the Hong Kong¡¦s employees and has made contributions to the state-sponsored pension scheme operated by the PRC government for the PRC employees. The Group has a share option scheme to motivate valued employees.

2. WORKING CAPITAL

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

3. INDEBTEDNESS

At the close of business on 31 July 2016, being the latest practicable date for ascertaining the information prior to the printing of this circular, the Group has outstanding bank borrowings of approximately HK$98 million, which was guaranteed by the Company and were secured by certain investment properties of the Group.

Apart from as disclosed above and intra-group liabilities, the Group did not have at the close of business on 31 July 2016 any debt securities authorized or created by unissued, issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances (other than normal trade bills) or acceptance credits, debentures, mortgages, charges, finance leases, hire purchase commitments, guaranteed, unguaranteed, secured and unsecured borrowing and debt, or other material contingent liabilities.

Apart from as disclosed above and intra-group liabilities, the Group did not have at the close of business on 31 July 2016 any debt securities authorised or created by unissued, issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances (other than normal trade bills) or acceptance credits, debentures, mortgages, charges, finance leases, hire purchase commitments, guarantees or other material contingent liabilities.

4. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

As mentioned in the annual report of the Company for the year ended 31 March 2016, the China economy had been grown at a slower rate than the government target of 7% in 2015, the continuous sliding of the Chinese and Hong Kong stock markets in the past months, the financial uncertainties about the pace of increase in interest rates in the United States and the instabilities in the European economy, which are expected to cloud the global economic outlook. As Hong Kong's economic performance hinges on global economic and financial conditions, these uncertain factors may affect property market sentiment in the months ahead. However, we expect the market to remain buoyant with more projects coming onto the market at competitive pricing levels and strong end user demand driving sales.

The Group will continue to closely monitor market changes, continue to adhere to its principle of steady development and endeavor to improve the development of the Project Inverness so as to increase the asset turnover rate. Meanwhile, the Group strives to improve the debt structure, adjust the project's management system in respect of management models and construction cost in order to enhance the profitability of the Group.

The turnover of the garment and sourcing export businesses continues decreasing due to the transferring of customer orders, shrinking profit margins and declining sales, the Board is now further evaluating this business segment and shall take appropriate action.

For the Project Matheson, it is now in the mediation process with the owner of the remaining unit in the Land (Compulsory Sale for Redevelopment) Ordinance; and the Sale order may be granted by the court in about September 2016. For the Project Inverness, the foundation works has commenced and to be completed in September 2016; and it is expected to be launched in the year 2018.

For the securities investment business, the Company reviews the performance of its existing investment portfolio and evaluating the investment potentials of other investment opportunities available to the Company. The Company shall make suitable investment decisions which broadens and diversifies its investment portfolio with a view of realizing and/or optimizing the expected return and minimizing the risks.

Looking forward to 2016/17, the Group shall emphasize the business segments of property development and securities investment; and to explore further quality investment opportunities to enhance its shareholders wealth.

5. MATERIAL CHANGE

The Directors confirm that there has been no material change in the financial or trading position or outlook of the Group since 31 March 2016, the date to which the latest published audited financial statements of the Company were made up, up to and including the Latest Practicable Date, save as disclosed in the Company's announcement dated 13 June 2016 and 13 July 2016 relating to the acquisition of TAI for a total consideration of HK$51,891,900 was satisfied by internal resources of the Company, and the completion date was 3 August 2016. TAI is an investment holding company and its sole assets is the 20 properties of the Building and the total purchase price of the 20 properties is HK$206,110,000.

6. MANAGEMENT DISCUSSION AND ANALYSIS ON DLL

DLL is an investment holding company and has no material financial interest other than investment in the Properties and has not commenced any business operation since its incorporation on 2 March 2016. Set out below is the management discussion and analysis on DLL for the period from 2 March 2016 (date of incorporation) to 9 September 2016 (the "**Period**").

Financial and Business Review

DLL had been principally engaged in investment holding during the Period. There are no profits attributable to DLL.

Capital Structure, Financial Resources and Liquidity

The net asset value of DLL as at 9 September 2016 is HK$8 and its material assets are the Property Purchase Agreements, the deposits paid and the rights under the Property Purchase Agreements. The non-current asset was HK$48,703,000 which consisted of deposits paid under the Property Purchase Agreements and stamp duty paid. The current liability of DLL consists of a shareholder's loan of HK$48,702,992. DLL financed its operation mainly by loans from its sole shareholder. All loans are unsecured and interest free.

Business Strategies and Future Prospects

Other than investment in the Properties, DLL has no any material future prospects.

Other Financial Information of DLL

Capital commitment

DLL did not have any significant capital commitment other than the commitment under the Property Purchase Agreements.

Significant Investments

Save as the investment in Properties, there was no significant investment held by DLL during the Period.

Acquisition or Disposal of Subsidiary

DLL had no acquisition or disposal of subsidiary during the Period.

Employees and Staff Policy

DLL is an investment holding company and had no employee during the Period.

Pledge of Assets

As at 9 September 2016, DLL has no pledged assets.

Future Plans for Material Investments or Capital Assets

As at 9 September 2016, save as disclosed in the investment of Properties, DLL has no plans for material investments or capital assets.

Gearing Ratio

As at 9 September 2016, the gearing ratio of DLL expressed in total bank borrowings as a percentage of net assets was nil%.

Foreign Exchange Exposure

During the Period, the business operation of DLL is in Hong Kong, therefore DLL has minimal exposure to foreign exchange and there are no significant amounts of foreign currency denominated monetary assets and liabilities other than HK$.

Contingent Liabilities

As at 9 September 2016, DLL did not have any significant contingent liabilities.

15 September 2016

The Board of Directors
Eminence Enterprise Limited
Block A, 7th Floor
Hong Kong Spinners Building, Phase-6
481-483 Castle Peak Road
Cheung Sha Wan, Kowloon
HONG KONG

Dear Sirs,

We set out below our report on the financial information relating to Daily Leader Limited (the "Target Company") including the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the period from 2 March 2016 (date of incorporation) to 9 September 2016 (the"Relevant Period"), and the statement of financial position as at 9 September 2016 together with the notes thereto (the "Financial Information") for inclusion in the circular of Eminence Enterprise Limited (the "Company") dated 9 September 2016 in connection with the Company's proposed acquisition of the entire issued share capital and the sale of loan of the Target Company (the "Circular").

The Target Company was incorporated in the British Virgin Islands on 2 March 2016 with limited liability and is principally engaged in property investment. The registered office of the Target Company is located at OMC Chambers, Wickhams Cay 1, Road Town, Tortola, British Virgin Islands.

No statutory audited financial statements of the Target Company for the Relevant Period have been prepared as it was newly incorporated since 2 March 2016 and there are no statutory audit requirements under the relevant rules and regulations in the British Virgin Islands. For the purpose of this report, the sole director of the Target Company has prepared the financial statements ("Underlying Financial Statements") for the Relevant Period in accordance with the Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). We have undertaken an independent audit of the financial statements in accordance with Hong Kong Standards on Auditing issued by the HKICPA.

The Financial Information of the Target Company for the Relevant Period set out in this report has been prepared based on the Underlying Financial Statements for the purpose of preparing a report for inclusion in the Circular. No adjustments were considered necessary to adjust the Underlying Financial Statements in preparing our report for inclusion in the Circular.

DIRECTOR'S RESPONSIBILITY

The sole director of the Target Company is responsible for the contents of the Circular including the preparation of the Financial Information that gives a true and fair view in accordance with HKFRSs issued by HKICPA, the applicable disclosure requirements of the Hong Kong Companies Ordinance (Cap. 622) and for such internal control as the sole director of the Target Company determines is necessary to enable the preparation of the Underlying Financial Statements that are free from material misstatement, whether due to fraud or error.

REPORTING ACCOUNTANT'S RESPONSIBILITY

Our responsibility is to compile the Financial Information set out in this report from the Underlying Financial Statements and to report our opinion to you.

We have examined the Underlying Financial Statements of the Target Company and carried out appropriate procedures as we considered necessary in accordance with the Auditing Guideline 3.340 "Prospectuses and the Reporting Accountant" issued by the HKICPA. We have not audited any financial statements of the Target Company in respect of any period subsequent to 9 September 2016.

OPINION IN RESPECT OF THE FINANCIAL INFORMATION

In our opinion, the Financial Information, for the purpose of this report and on the basis of presentation set out below, gives a true and fair view of the affairs of the Target Company as at 9 September 2016 and of its results and cash flows for the Relevant Period in accordance with HKFRSs.

I. FINANCIAL INFORMATION

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
Period from 2 March 2016 (date of incorporation) to 9 September 2016

	Notes	*HK$*
TURNOVER	*7*	–
Less: Administrative expenses		–
Other operating expenses		–
Finance costs		–
PROFIT/LOSS BEFORE TAXATION	*8*	–
Taxation	*10*	–
NET PROFIT/LOSS FOR THE PERIOD		–
Other comprehensive income		–
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		–
BASIC PROFIT/LOSS PER SHARE	*11*	–

STATEMENT OF FINANCIAL POSITION
As at 9 September 2016

	Notes	*HK$*
ASSETS AND LIABILITIES		
NON-CURRENT ASSET		
Deposits and capitalised expenses paid for acquisition of investment properties		48,703,000
		48,703,000
CURRENT LIABILITY		
Amount due to the sole director/shareholder	*12*	(48,702,992)
NET CURRENT LIABILITIES		(48,702,992)
NET ASSETS		8
EQUITY		
Share capital	*13*	8
Retained earnings/accumulated losses		–
TOTAL EQUITY		8

STATEMENT OF CHANGES IN EQUITY
Period from 2 March 2016 (date of incorporation) to 9 September 2016

	Share capital	Retained earnings/ accumulated losses	Total
	HK$	*HK$*	*HK$*
Issuance of one ordinary share of US$1.00 – *Note 13*	8	–	8
Total comprehensive income for the Relevant Period	–	–	–
Balance at 9 September 2016	8	–	8

STATEMENT OF CASH FLOWS
Period from 2 March 2016 (date of incorporation) to 9 September 2016

	Note	*HK$*
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/loss before taxation	*8*	–
Adjustment		–
Operating profit/loss before movements in working capital and cash generated from/used in operations		–
Income tax paid		–
NET CASH FROM/USED IN OPERATING ACTIVITIES		–
CASH FLOWS FROM INVESTING ACTIVITY		
Deposits and capitalised expenses paid for acquisition of investment properties		(48,703,000)
NET CASH USED IN INVESTING ACTIVITY		(48,703,000)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds on issue of one ordinary share		8
Advance from the sole director/shareholder		48,702,992
NET CASH FROM FINANCING ACTIVITIES		48,703,000
NET INCREASE IN CASH AND CASH EQUIVALENTS		–
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE RELEVANT PERIOD		–
CASH AND CASH EQUIVALENTS AT END OF THE RELEVANT PERIOD		–
ANALYSIS OF BALANCE OF CASH AND CASH EQUIVALENTS		
Cash and bank balances		–

II. NOTES ON THE FINANCIAL INFORMATION

1. GENERAL

The Target Company is a private company incorporated in the British Virgin Islands with limited liability and its registered office is located at OMC Chambers, Wickhams Cay 1, Road Town, Tortola, British Virgin Islands. During the Relevant Period, the principal activity of the Target Company is property investment.

The Financial Information are presented in Hong Kong dollars ("HK$" or "HKD"), which is the same as the functional and presentation currency of the Target Company.

2. BASIS OF PREPARATION OF FINANCIAL INFORMATION

As Eminence Enterprise Limited has agreed to continuously provide adequate funds for the Target Company to meet in full its financial obligations as they fall due for the foreseeable future for and up to the date of the completion of the very substantial acquisition and for the coming twelve months from 9 September 2016, the sole director of the Target Company is confident that the Target Company will be able to meet its financial obligations when they fall due in foreseeable future and be able to operate on a going concern basis. Accordingly, the Underlying Financial Statements have been prepared on a going concern basis.

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

For the purpose of preparing and presenting the Financial Information for the Relevant Period, the Target Company has, throughout the Relevant Period, consistently adopted Hong Kong Accounting Standards ("HKASs"), HKFRSs, amendments and interpretations. The Target Company has not early applied the following new and revised HKFRSs that have been issued but are not yet effective:

HKFRS 9	Financial instruments[1]
HKFRS 15	Revenue from contracts with customers[2]
HKFRS 16	Leases[3]

4. SIGNIFICANT ACCOUNTING POLICIES

The Financial Information has been prepared under historical cost basis and in accordance with HKFRSs issued by the HKICPA and the Hong Kong Companies Ordinance (Cap. 622). Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Target Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2 "Share-based payment", leasing transactions that are within the scope of HKAS 17 "Leases", and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 "Inventories" or value in use in HKAS 36 "Impairment of assets".

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

---

1 Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted.

2 Effective for annual reporting periods beginning on or after 1 January 2018, with earlier application permitted.

3 Effective for annual reporting periods beginning on or after 1 January 2019, with earlier application permitted.

- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies adopted are set out below:

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable.

Borrowing costs

Borrowing costs not attributable to qualifying assets are recognised in profit or loss in the Relevant Period in which they are incurred.

Foreign currencies

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the Relevant Period in which they arise. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the Relevant Period.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the Relevant Period. Taxable profits differs from profit before taxation as reported in the statement of profit or loss and other comprehensive income because of income or expenses that are taxable or deductible in other years and items that are never taxable or deductible. The Target Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the Relevant Period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Financial Information and the corresponding tax base used in the computation of taxable profits. Deferred tax liabilities are generally recognised for all taxable temporary difference. Deferred tax assets are generally recognised for all deductible temporary difference to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of the Relevant Period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the Relevant Period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Target Company expects, at the end of the Relevant Period, to recover or settle the carrying amount of its assets and liabilities.

For the purpose of measuring deferred tax liabilities or deferred tax assets for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. If the presumption is rebutted, deferred tax liabilities and deferred tax assets for such investment properties are measured in accordance with the above general principles set out in HKAS 12 (i.e. based on the expected manner as to how the properties will be recovered).

Current and deferred tax for the Relevant Period

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Financial instruments

Financial assets and financial liabilities are recognised in the statements of financial position when the Target Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

The Target Company's financial assets are classified as loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the Relevant Period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transactions costs and other premiums or discounts) through the excepted life of the financial asset, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Interest income is recognised on an effective interest basis for debt instruments.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables (including bank balance) are carried at amortised cost using the effective interest method, less any identified impairment losses (see accounting policy on impairment of financial assets below).

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of the Relevant Period. Financial assets are considered to be impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been affected.

Objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract such as default or delinquency in interest and principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

For financial assets carried at amortised cost, the amount of impairment loss is recognised as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Financial liabilities and equity instruments

Debt and equity instruments issued by the Target Company are classified as either financial liabilities or as equity instruments in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Target Company after deducting all of its liabilities. Equity instruments issued by the Target Company are recognised at the proceeds received, net of direct issue costs.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the Relevant Period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest expense is recognised on an effective interest basis.

Financial liabilities

Financial liabilities (including the amount due to the sole director/shareholder) are subsequently measured at amortised cost, using the effective interest method.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the assets expire or, the financial assets are transferred and the Target Company has transferred substantially all the risks and rewards of ownership of the financial assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised directly in other comprehensive income is recognised in profit or loss.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Impairment

At the end of the Relevant Period, the Target Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Target Company as lessor

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

Related parties

A party is considered to be related to the Target Company if:

(1) the party is a person or a close member of that person's family and that person:

(i) has control or joint control over the Target Company;

(ii) has significant influence over the Target Company; or

(iii) is a member of the key management personnel of the Target Company or of a parent of the Target Company;

or

(2) the party is an entity where any of the following conditions applies:

(i) the entity and the Target Company are members of the same group;

(ii) one entity is an associate or a joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);

(iii) the entity and the Target Company are joint ventures of the same third party;

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Target Company or an entity related to the Target Company;

(vi) the entity is controlled or jointly controlled by a person identified in (a); and

(vii) a person identified in (1)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Target Company's accounting policies, which are described in note 4, the sole director is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

6. CAPITAL RISK MANAGEMENT

The Target Company manages its capital to ensure that the Target Company will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balances. The Target Company's overall strategy remains unchanged throughout the Relevant Period.

The capital structure of the Target Company consists of net debts, which includes the amount due the sole director/shareholder as disclosed in note 12 and equity attributable to owners of the Target Company.

The sole director reviews the capital structure on a regular basis. As part of this review, the sole director considers the cost of capital and the risks associated with the capital. Based on recommendations of the sole director, the Target Company will balance its overall capital structure through new share issues as well as raising of debts.

Further, the existing shareholder of the Target Company and Eminence Enterprise Limited, the holding company of the new shareholder, SMIL (as defined in note 15 on the Financial Information) confirmed their willingness to provide sufficient cash and equity support to meet the daily operation requirements to maintain the Target Company as a going concern for the coming twelve months from 9 September 2016.

Financial Instruments

Categories of financial instruments

	HK$
Financial liabilities	
Amortised cost	
Amount due to the sole director/shareholder	48,702,992

Financial risk management objectives and policies

The Target Company's major financial instrument includes the amount due to the sole director/shareholder. Details of such financial instrument are disclosed in note 12 on the Financial Information. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Liquidity risk

The Target Company relies on the sole director/shareholder as a significant source of liquidity. Eminence Enterprise Limited has agreed to continuously provide adequate funds for the Target Company to meet in full its financial obligations as they fall due for the foreseeable future for and up to the date of the completion of the very substantial acquisition and for the coming twelve months from 9 September 2016, the sole director of the Target Company is confident that the Target Company will be able to meet its financial obligations when they fall due in the foreseeable future and be able to operate on a going concern basis.

Fair value

The fair value of financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

The sole director considers that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the Financial Information approximate to their fair values.

7. TURNOVER

The Target Company has no turnover during the Relevant Period.

8. PROFIT/LOSS BEFORE TAXATION

There are no supporting documents provided by the sole director/shareholder of the Target Company as to verify the quantum of formation expense and solicitors' fees incurred by the Target Company. The sole director/shareholder has agreed to absorb the abovementioned costs incurred during the Relevant Period and no separate disclosure was made for the above expenses.

9. DIRECTOR'S REMUNERATION AND FIVE HIGHEST PAID EMPLOYEES

(i) Director's remuneration

No remuneration was paid to the Target Company's sole director during the Relevant Period and no remuneration was waived by the sole director during the Relevant Period.

(ii) Employees' remuneration

The Target Company has no employee, thus no remuneration was paid to any employees during the Relevant Period.

10. TAXATION

No provision for taxation has been made as the Target Company had no revenue earned during the Relevant Period. No provision for deferred taxation has been made as the amount involved is insignificant.

11. BASIC PROFIT/LOSS PER SHARE

As only one ordinary share was in issue during the Relevant Period, the basic profit/loss per share is equal to the net profit/loss for the Relevant Period.

There were no potential dilutive shares in existence during the Relevant Period.

12. AMOUNT DUE TO THE SOLE DIRECTOR/SHAREHOLDER

The amount due to the sole director/shareholder is unsecured and interest-free. As mentioned in note 15 on the Financial Information, the loan is to be disposed of to the new shareholder, the new shareholder and the sole director/shareholder confirmed not to demand payment within 12 months after the Relevant Period.

13. SHARE CAPITAL

	9 September 2016
	HK$
Authorised:	
50,000 ordinary shares of US$1.00 each	390,000
Issued and fully paid:	
One ordinary share of US$1.00 each	8

The Target Company was incorporated on 2 March 2016 with an authorised share capital of US$50,000 divided into 50,000 ordinary shares of US$1.00 each. On 24 June 2016, one ordinary share of US$1.00 was issued at par to the sole member to meet the initial capital requirement. Other than the above, there were no changes in the Target Company's authorised, issued, and fully paid share capital during the Relevant Period.

14. CAPITAL COMMITMENTS

During the Relevant Period, the Target Company entered into agreements for sale and purchase (the "Property Purchase Agreements", including inter alia the related provisional agreements for sale and purchase and the related supplemental agreements, where any, and the formal sale and purchase agreements) of the following units of Fung Wah Factorial Building which is situated at No. 646, 648 & 648A Castle Peak Road, Kowloon, Hong Kong (the "Building") with 3 different property vendors ("Property Vendors") at a total cash consideration of HK$175,800,000.

– Workshop Spaces A2, B1, B2 and C2 on Ground Floor of the Building ("Workshop Spaces G/F A2, G/F B1, G/F B2 and G/F C2");

– Workshop Space B, on 4th Floor of the Building ("Workshop Space 4B");

At the time for completion of the Property Purchase Agreements, there are two tenancy agreements in force for Workshop Spaces G/F C2 and 4B. At 9 September 2016, the Target Company has paid a total of HK$33,940,000 as deposits under the Property Purchase Agreements (representing approximately 19% of the total consideration under all the Property Purchase Agreements) to the Property Vendors and HK$14,763,000 for stamp duty. Upon completion of the Property Purchase Agreements, the Target Company will have to pay the balance of the consideration in the sum of HK$141,860,000 to the Property Vendors.

According to the Property Purchase Agreements, the Target Company is not required to pay any commission fee to the property agents.

15. SALE SHARE AND SALE LOAN AGREEMENT

The sole member of the Target Company entered into an agreement with Skill Master Investment Limited ("SMIL", a company incorporated in the British Virgin Islands with limited liability and a direct wholly-owned subsidiary of Eminence Enterprise Limited) on 3 August 2016, to sell his entire shareholding and entire loan in the Target Company to SMIL at a total cash consideration of HK$64,525,000.

16. RELATED PARTY TRANSACTIONS

The Target Company had no other transactions with related parties during the Relevant Period.

17. EVENTS AFTER THE RELEVANT PERIOD

(a) No audited financial statements have been prepared in respect of any period subsequent to 9 September 2016.

(b) Upon the completion of the Property Purchase Agreements, the Target Company will have about 10.8% of the undivided shares of the Building. The Property Purchase Agreement for the Workshop Space 4B is pending for completion on or before 18 October 2016 with the balance payment of HK$16,200,000 to be settled at the same time. Balance payment of the remaining Workshop Spaces G/F A2, G/F B1, G/F B2 and G/F C2 of HK$125,660,000 is expected to be settled on the scheduled completion date of the Property Purchase Agreements on 9 November 2016.

Yours faithfully,

Cosmos CPA Limited
Certified Public Accountants

NG Lai Man Carmen
Practising Certificate Number P03518
Hong Kong
15 September 2016

UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE ENLARGED GROUP

Introduction

The following is a summary of an illustrative and unaudited pro forma consolidated statement of assets and liabilities, unaudited pro forma consolidated statement of profit or loss and other comprehensive income and unaudited pro forma consolidated statement of cash flows (collectively referred to as the "Unaudited Pro Forma Financial Information") of the Enlarged Group, which has been prepared on the basis of the notes set out below for the purpose of illustrating the effect of the proposed Very Substantial Acquisition of the Sale Share and Sale Loan (the "Very Substantial Acquisition"), which contributed by the acquisitions of Daily Leader Limited ("2nd Acquisition") as if the Very Substantial Acquisition is completed as of 31 March 2016 for unaudited pro forma consolidated statement of assets and liabilities as at 31 March 2016; or as if the Very Substantial Acquisition is completed as of 1 April 2015 for unaudited pro forma consolidated statement of profit or loss and other comprehensive income and unaudited pro forma consolidated statement of cash flows for the year ended 31 March 2016, respectively.

This Unaudited Pro Forma Financial Information of the Enlarged Group has been prepared by the directors of the Company in accordance with Paragraph 4.29 of the Listing Rules for illustrative purposes only, based on their judgments, estimations and assumptions, and because of its hypothetical nature, it may not give a true picture of (i) the consolidated statement of assets and liabilities as at 31 March 2016; and (ii) the consolidated statement of profit or loss and other comprehensive income and (iii) the consolidated statement of cash flows for the year ended 31 March 2016, respectively, had the Very Substantial Acquisition been completed as at 1 April 2015, or at any future date.

The Unaudited Pro Forma Financial Information of the Enlarged Group should be read in conjunction with the audited consolidated financial statements of the Group for the year ended 31 March 2016 as disclosed in the 2016 annual report of the Company, and other financial information included elsewhere in the circular.

Unaudited pro forma consolidated statement of assets and liabilities, unaudited pro forma consolidated statement of profit or loss and other comprehensive income and unaudited pro forma consolidated statement of cash flows of the Enlarged Group

(i) The unaudited pro forma consolidated statement of assets and liabilities has been prepared based on the unaudited pro forma consolidated statement of assets and liabilities of the Group as at 31 March 2016 including the 1st Acquisition as defined in this circular, which has been extracted from Appendix III of the circular of the Company which issued on 15 July 2016, and; (ii) the unaudited pro forma consolidated statement of profit or loss and other comprehensive income and unaudited pro forma consolidated statement of cash flows of the Enlarged Group have been prepared based on the audited consolidated statement of profit or loss and other comprehensive income and audited consolidated statement of cash flows of the Group for the year ended 31 March 2016, which has been extracted from the annual report of the Company for the year ended 31 March 2016, after making the pro forma adjustments relating to the Very Substantial Acquisition that are factually supportable and directly attributable, as explained in the notes below.

Eminence Enterprise Limited

Unaudited Pro Forma Consolidated Statement of Assets and Liabilities

	Pro forma Total of the Group as of 31 March 2016 including 1st Acquisition	2nd Acquisition Pro forma adjustments				Pro forma Total for the Enlarged Group as of 31 March 2016
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	(Unaudited)	*(Audited)*				*(Unaudited)*
	<Note 1>	*<Note 2>*	*<Note 3>*	*<Note 4>*	*<Note 5>*	
Non-current assets						
Property, plant and equipment	531	–	–	–	–	531
Investment properties	1,333,316	–	–	–	–	1,333,316
Deposits and capitalised expenses paid for acquisition of investment properties	–	48,703	(48,703)	–	–	–
Loans receivable	57,500	–	–	–	–	57,500
Available-for-sale investments	133,034	–	–	–	–	133,034
	1,524,381	48,703	(48,703)	–	–	1,524,381
Current assets						
Properties held for development for sale	524,000	–	–	–	–	524,000
Deposits and capitalised expenses paid for acquisition of properties held for development for sale	52,617	–	48,703	15,822	570	117,712
Trade and other receivables	35,982	–	–	–	–	35,982
Loans receivable	18,500	–	–	–	–	18,500
Investments held for trading	5,944	–	–	–	–	5,944
Bank balances and cash	412,662	–	–	(64,525)	(570)	347,567
	1,049,705	–	48,703	(48,703)	–	1,049,705
Current liabilities						
Trade and other payables	27,108	–	–	–	–	27,108
Tax payable	9,131	–	–	–	–	9,131
Convertible note	74,705	–	–	–	–	74,705
Secured bank borrowings	4,993	–	–	–	–	4,993
Amount due to shareholder	–	48,703	–	(48,703)	–	–
	115,937	48,703	–	(48,703)	–	115,937
Net current assets	933,768	(48,703)	48,703	–	–	933,768
Total assets less current liabilities	2,458,149	–	–	–	–	2,458,149
Non-current liabilities						
Convertible note	12,379	–	–	–	–	12,379
Deferred tax liabilities	26,232	–	–	–	–	26,232
Secured bank borrowings	95,094	–	–	–	–	95,094
	133,705	–	–	–	–	133,705
Net assets	2,324,444	–	–	–	–	2,324,444

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

1. The figures are extracted from Appendix III of the circular of the Company in respect of the 1st Acquisition which was issued on 15 July 2016. It represented the pro forma consolidated statement of assets and liabilities of the Group as at 31 March 2016 as if the 1st Acquisition was completed on that date.

2. The adjustment represents the information which are extracted from the financial information of DLL as at 9 September 2016 as set out in Appendix II of this circular relating to accountants' reports of DLL.

3. The adjustment represents the reclassification of deposits and capitalised expenses paid for acquisition of investment properties to properties held for development for sale on Group level.

4. The adjustments represents (i) the cash payment of HK$15,822,000 by the Company for the acquisition of the Sale Share and the Sale Loan of DLL; and (ii) the cash payment by the Company of HK$48,703,000 for the assignment of the shareholders' loan of the DLL to the Company as at the Completion Date. The directors of the Company consider that the transaction is in effect an acquisition of assets and thus, the total consideration paid by the Group of HK$64,525,000 represents payment for acquisition of properties held for development for sale, which are capitalised and included therein.

5. The adjustment represents payment of the estimated transaction costs attributable to this transaction of HK$570,000.

6. After the 2nd Acquisition, the Enlarged Group will be responsible for paying the balance of the purchase price of HK$141,860,000 at the respective dates of completion of the Property Purchase Agreements. Also, rental deposits of HK$249,600 in relation to the existing tenancy agreements of the DLL Properties will be transferred from the Property Vendors to the Group.

7. Other than those set out above, no adjustments have been made to reflect any trading results or other transactions of the Group entered into subsequent to 31 March 2016.

Eminence Enterprise Limited
Unaudited Pro Forma Consolidated Statement of Profit or Loss and Other Comprehensive Income

	The Group for the year ended 31 March 2016	2nd Acquisition Pro forma adjustment	Pro forma Total for the Enlarged Group for the year ended 31 March 2016
	HK$'000	*HK$'000*	*HK$'000*
	(Audited)	*(Audited)*	*(Unaudited)*
	<Note 1>	*<Note 2>*	*<Note 3>*
Turnover	103,439	–	103,439
Cost of goods sold	(67,001)	–	(67,001)
Gross profit	36,438	–	36,438
Other income	12,048	–	12,048
Other gains and losses	572	–	572
Other expenses	(1,067)	–	(1,067)
Distribution and selling expenses	(1,762)	–	(1,762)
Administrative expenses	(30,429)	–	(30,429)
Loss on changes in fair value of investment properties	(33,399)	–	(33,399)
Impairment loss on properties held for development for sale	(15,511)	–	(15,511)
Loss on fair value changes of investments held for trading	(2,540)	–	(2,540)
Loss on fair value change on bonds	(2,193)	–	(2,193)
Loss on fair value changes of equity linked notes	(8,296)	–	(8,296)
Finance costs	(15,099)	–	(15,099)
Loss before taxation	(61,238)	–	(61,238)
Taxation	(8,030)	–	(8,030)
Loss for the year attributable to owners of the Company	(69,268)	–	(69,268)
Other comprehensive expense			
Items that may be reclassified subsequently to profit or loss:			
Change in fair value of available-for-sale investments	(10,931)	–	(10,931)
Exchange differences arising on translation of financial statements of foreign operations	(6,478)	–	(6,478)
Other comprehensive expense for the year	(17,409)	–	(17,409)
Total comprehensive expense for the year attributable to owners of the Company	(86,677)	–	(86,677)

Notes to unaudited pro forma consolidated statement of profit or loss and other comprehensive income:

1. The figures are extracted from the audited consolidated statement of profit or loss and other comprehensive income of the Group for the year ended 31 March 2016, as set out in the published annual report of the Company for the year ended 31 March 2016.

2. The information is extracted from financial information of DLL for the period from 2 March 2016 (date of incorporation) to 9 September 2016 as set out in Appendix II of this circular relating to accountants' reports of DLL.

3. The unaudited adjusted pro forma consolidated statement of profit or loss and other comprehensive income for the year ended 31 March 2016 had only been adjusted to reflect the 2nd Acquisition without taking into account the 1st Acquisition. Given the 1st Acquisition was completed recently in August 2016, the directors of Company considered the rental income and related direct expenses generated by the Group from the 1st Acquisition is insignificant. Thus, had the 1st Acquisition been taken into account, it will not materially affect the pro forma consolidated statement of profit or loss and other comprehensive income as illustrated above.

4. No adjustments have been made to reflect any trading results or other transactions of the Group entered into subsequent to 31 March 2016.

The following pro forma information includes not only those prepared pursuant to rule 14.69 of the Listing Rules but also additional pro forma financial information regarding the scenario as if the 1st Acquisition was completed concurrently together with the 2nd Acquistion as at 1 April 2015. Such additional pro forma financial information is prepared by the directors of the Company voluntarily for illustrative purpose only, to illustrate the effect of the completion of the 1st Acquistion and the 2nd Acquistion concurrently for further information of the investors and other users of this circular. The Company would like to draw to your attention that the completion of the 1st Acquisition and the 2nd Acquisition is not inter-conditional.

Eminence Enterprise Limited
Unaudited Pro Forma Consolidated Statement of Cash Flows

Note: Additional pro forma financial information is prepared by directors of Company as if 1st Acquisition was completed concurrently together with the 2nd Acquisition as of 1 April 2015. A circular was issued by the Company in respect of the 1st Acquisition on 15 July 2016, which was approved by the shareholders in August 2016.

	Unaudited pro forma financial information prepared under rule 14.69 of the Listing Rules					Additional pro forma financial information (see above for details)	
	The Group for the year ended 31 March 2016	**2nd Acquisition Pro forma adjustments**			**Pro forma Total for the Enlarged Group for the year ended 31 March 2016**	**Pro forma adjustments as if the 1st Acquisition has been carried out and completed as at 1 April 2015**	**Unaudited pro forma total for the Enlarged Group for the year ended 31 March 2016**
	(Audited)	*(Audited)*			*(Unaudited)*		*(Unaudited)*
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	<Note 1>	*<Note 2>*	*<Note 3>*	*<Note 4>*		*<Note 5>*	
					A	**B**	**A+B**
Operating activities							
(Loss) before taxation	(61,238)	–	–	–	(61,238)	–	(61,238)
Adjustments for:							
Interest income	(4,869)	–	–	–	(4,869)	–	(4,869)
Interest expense	15,099	–	–	–	15,099	–	15,099
Depreciation	179	–	–	–	179	–	179
Unrealised loss on fair value changes of investments held for trading	6,332	–	–	–	6,332	–	6,332
Dividend income from listed investments	(4,115)	–	–	–	(4,115)	–	(4,115)
Impairment loss on properties held for development for sale	15,511	–	–	–	15,511	–	15,511
Loss on fair value change of bonds	2,193	–	–	–	2,193	–	2,193
Loss on fair value change of equity linked notes	8,296	–	–	–	8,296	–	8,296
Loss on fair value change of investment properties	33,399	–	–	–	33,399	–	33,399

	Unaudited pro forma financial information prepared under rule 14.69 of the Listing Rules					Additional pro forma financial information (see above for details)	
	The Group for the year ended 31 March 2016	2nd Acquisition Pro forma adjustments			Pro forma Total for the Enlarged Group for the year ended 31 March 2016	Pro forma adjustments as if the 1st Acquisition has been carried out and completed as at 1 April 2015	Unaudited pro forma total for the Enlarged Group for the year ended 31 March 2016
	(Audited)	*(Audited)*			*(Unaudited)*		*(Unaudited)*
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	<Note 1>	*<Note 2>*	*<Note 3>*	*<Note 4>*		*<Note 5>*	
					A	**B**	**A+B**
Operating cash flows before movements in working capital	10,787	–	–	–	10,787	–	10,787
Increase in trade and other receivables	(23,559)	–	–	–	(23,559)	–	(23,559)
Decrease in bills receivable	869	–	–	–	869	–	869
Increase in loans receivable	(52,360)	–	–	–	(52,360)	–	(52,360)
Decrease in investments held for trading	79,281	–	–	–	79,281	–	79,281
Decrease in trade and other payables	(2,047)	–	–	–	(2,047)	–	(2,047)
Decrease in properties held for development for sale	21,403	–	–	–	21,403	–	21,403
Increase in deposits and capitalised expenses paid for acquisition of property held for development for sales	–	–	–	(65,095)	(65,095)	(52,617)	(117,712)
Cash from operations	34,374	–	–	(65,095)	(30,721)	(52,617)	(83,338)
Dividend received from investments	4,115	–	–	–	4,115	–	4,115
Net cash from (used in) operating activities	38,489	–	–	(65,095)	(26,606)	(52,617)	(79,223)
Investing activities							
Interest received	3,459	–	–	–	3,459	–	3,459
Utilisation of deposits and prepayments acquisition of property held for development for sales	84,848	–	–	–	84,848	–	84,848
Net cash outflow on acquisition of assets and liabilities through acquisition of subsidiaries	(22,284)	–	–	–	(22,284)	–	(22,284)
Addition of investment properties	(214,924)	–	–	–	(214,924)	–	(214,924)
Acquisition of financial asset designated as at fair value through profit and loss	(80,000)	–	–	–	(80,000)	–	(80,000)
Purchase of available-for-sale investments	(55,109)	–	–	–	(55,109)	–	(55,109)
Purchase of property, plant and equipment	(90)	–	–	–	(90)	–	(90)
Purchase of bonds	(29,125)	–	–	–	(29,125)	–	(29,125)
Proceeds from disposal of bonds	26,932	–	–	–	26,932	–	26,932
Deposits and capitalised expenses paid for acquisition of property held for development for sales	–	(48,703)	48,703	–	–	–	–
Net cash used in investing activities	(286,293)	(48,703)	48,703	–	(286,293)	–	(286,293)

	Unaudited pro forma financial information prepared under rule 14.69 of the Listing Rules					Additional pro forma financial information (see above for details)	
	The Group for the year ended 31 March 2016	2nd Acquisition Pro forma adjustments			Pro forma Total for the Enlarged Group for the year ended 31 March 2016	Pro forma adjustments as if the 1st Acquisition has been carried out and completed as at 1 April 2015	Unaudited pro forma total for the Enlarged Group for the year ended 31 March 2016
	(Audited)	*(Audited)*			*(Unaudited)*		*(Unaudited)*
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	<Note 1>	*<Note 2>*	*<Note 3>*	*<Note 4>*		*<Note 5>*	
					A	**B**	**A+B**
Financing activities							
Proceeds from issue of new shares	630,544	8	(8)	–	630,544	–	630,544
Proceeds from issue of convertible note	86,000	–	–	–	86,000	–	86,000
Repayment of bank borrowings	(193,838)	–	–	–	(193,838)	–	(193,838)
Interest paid	(7,210)	–	–	–	(7,210)	–	(7,210)
Transaction costs attributable to issue of new shares	(4,971)	–	–	–	(4,971)	–	(4,971)
Advance from the shareholder	–	48,703	(48,703)	–	–	–	–
Net cash from financing activities	510,525	48,711	(48,711)	–	510,525	–	510,525
Net increase in cash and cash equivalents	262,721	8	(8)	(65,095)	197,626	(52,617)	145,009
Cash and cash equivalents at beginning of the year	204,234	–	–	–	204,234	–	204,234
Effect of foreign exchange rate changes	(1,676)	–	–	–	(1,676)	–	(1,676)
Cash and cash equivalents at end of the year, represented by bank balances and cash	465,279				400,184		347,567

Notes to unaudited pro forma consolidated statement of cash flows

1. The figures are extracted from the audited consolidated statement of cash flows of the Group for the year ended 31 March 2016, as set out in the published annual report of the Company for the year ended 31 March 2016.

2. The information is extracted from the financial information of DLL for the period from 2 March 2016 (date of incorporation) to 9 September 2016 as set out in Appendix II of this circular relating to accountants' reports of DLL.

3. The adjustment represents the reversal of the deposits and capitalised expenses paid for acquisition of property held for development for sales of HK$48,703,000 and proceeds for issue of share as if the Very Substantial Acquisition had been completed as of 1 April 2015. The adjustment is not expected to have a continuing effect on the Group.

4. The adjustment represents the cash payment of HK$64,525,000 for the acquisition of the Sale Share and sale loan of DLL and the estimated transaction costs attributable to this transaction of approximately HK$570,000. The adjustment is not expected to have a continuing effect on the Group.

5. The adjustment represents the estimated cash outflows in relation to the 1st acquisition for the cash payment of HK$51,982,000 for the acquisition of the entire issued share capital of TAI and the respective shareholder's loan and the estimated transaction costs attributable to the transaction of approximately HK$635,000. The adjustment is not expected to have a continuing effect on the Group.

6. No adjustments have been made to reflect any trading results or other transactions of the Group entered into subsequent to 31 March 2016.

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF PRO FORMA FINANCIAL INFORMATION

Deloitte.
德勤

TO THE DIRECTORS OF EMINENCE ENTERPRISE LIMITED

We have completed our assurance engagement to report on the compilation of pro forma financial information of Eminence Enterprise Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group") by the directors of the Company (the "Directors") for illustrative purposes only. The pro forma financial information consists of the pro forma consolidated statement of assets and liabilities as at 31 March 2016, the pro forma consolidated statement of profit or loss and other comprehensive income and the pro forma consolidated statement of cash flows for the year ended 31 March 2016 and related notes as set out on pages III-1 to III-9 of the circular issued by the Company dated 15 September 2016 (the "Circular"). The applicable criteria on the basis of which the Directors have compiled the pro forma financial information are described on pages III-1 to III-9 of the Circular.

The pro forma financial information has been compiled by the Directors to illustrate the impact of the proposed very substantial acquisition of the Sale Share and Sale Loan of Daily Leader Limited (the "Very Substantial Acquisition") on the Group's financial position as at 31 March 2016 and its financial performance and cash flows for the year ended 31 March 2016 as if the Very Substantial Acquisition had taken place on 31 March 2016 and 1 April 2015 respectively. As part of this process, information about the Group's financial position has been extracted by the Directors from the Appendix III of the circular of the Company which issued on 15 July 2016, and financial performance and cash flows has been extracted by the Directors from the Group's audited consolidated financial statements for the year ended 31 March 2016, on which an auditor's report has been published.

Directors' Responsibilities for the Pro Forma Financial Information

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

Our Independence and Quality Control

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

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

Reporting Accountants' Responsibilities

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

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

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

The purpose of pro forma financial information included in an investment circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the Very Substantial Acquisition at 31 March 2016 or 1 April 2015 would have been as presented.

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

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

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

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

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

Opinion

In our opinion:

(a) the pro forma financial information has been properly compiled on the basis stated;

(b) such basis is consistent with the accounting policies of the Group; and

(c) the adjustments are appropriate for the purposes of the pro forma financial information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
15 September 2016

*The following is the text of a letter and valuation certificate prepared for the purpose of incorporation in this circular received from **Vigers Appraisal And Consulting Limited**, an independent valuer, in connection with their valuation of the property as at 16 August 2016.*

Vigers Appraisal & Consulting Limited
International Asset Appraisal Consultants
10th Floor, The Grande Building
398 Kwun Tong Road
Kwun Tong
Kowloon

15 September 2016

The Directors
Eminence Enterprise Limited
7/F., Hong Kong Spinners Industrial Building, Phase 6
481-483 Cheung Sha Wan Road
Kowloon
Hong Kong

Dear Sirs,

Re: **Workshop Spaces A2, B1, B2 and C2 on Ground Floor, and Workshop Space B on 4th Floor, Fung Wah Factorial Building, Nos. 646, 648 and 648A Castle Peak Road, Cheung Sha Wan, Kowloon**

In accordance with your instructions for us to value the above property interests to be acquired by Eminence Enterprise Limited or its subsidiary (hereinafter together referred to as "the Company"), we confirm that we have inspected the property, conducted land searches at the Land Registry, made relevant enquiries and investigations as well as obtained such further information as we consider necessary for the purpose of providing our opinion of values of the property as at 16 August 2016 ("the Valuation Date").

Our valuations are our opinion of market value of the property which is defined as intended to mean "the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing selling on an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion".

Our valuations have been prepared in accordance with "The HKIS Valuation Standards on Properties (2012 Edition)" published by The Hong Kong Institute of Surveyors, the relevant provisions in the Companies Ordinance and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (Main Board).

Our valuations have been made on the assumption that the property is sold in the market in their existing state without the effect of deferred term contract, leaseback, joint venture, management agreement or any other similar arrangement which might serve to affect the values of the property. In addition, no account has been taken of any option or right of pre-emption concerning or affecting the sale of the property.

We have valued the property by direct comparison approach with reference to market comparables with due allowances for the differences between the comparables and the property.

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

The property was inspected externally on 5 August 2016 by Gilbert K M Yuen, who is a registered professional surveyor with ample experience in valuation of properties in Hong Kong. However, we have not carried out any structural survey nor have we inspected woodwork or other parts of the structures which were covered, unexposed or inaccessible to us. We are therefore unable to report whether the property is free from any structural or non-structural defect.

We have relied to a considerable extent on the information made available to us and we have accepted advice on such matters as planning approvals, statutory notices, easements, occupancy, tenancy status, tenure, site and floor areas. We have had no reason to doubt the truth and accuracy of the information provided to us by the Company and we have been advised by the Company that no material facts have been omitted from the information provided.

No allowance has been made in our valuations for any charges, mortgages or amounts owing on the properties for any expenses or taxation which might be incurred in effecting a sale. Unless otherwise stated, we have assumed that the property is free from any encumbrances, restrictions and outgoings of an onerous nature which could serve to affect the values of the property.

We enclose herewith our valuation certificate.

Yours faithfully,
For and on behalf of
VIGERS APPRAISAL AND CONSULTING LIMITED
Gilbert K. M. Yuen
MRICS MHKIS RPS(GP)
Executive Director

Note: Mr. Gilbert K. M. Yuen is a Registered Professional Surveyor in General Practice Division with over 25 years' post-qualification experience in valuation of properties in Hong Kong.

VALUATION CERTIFICATE

Property to be acquired for future development by the Company in Hong Kong

Property	Description and Tenure	Particulars of Occupancy	Capital value in Existing state as at 16 August 2016
Workshop Spaces A2, B1, B2 and C2 on Ground Floor, and Workshop Space B on 4th Floor, Fung Wah Factorial Building, Nos. 646, 648, 648A Castle Peak Road, Cheung Sha Wan, Kowloon 14/120th parts or shares of and in The Remaining Portion of Section A of New Kowloon Inland Lot No. 2213, Section D of New Kowloon Inland Lot No. 2213, The Remaining Portion of New Kowloon Inland Lot No. 2213 and Section E of New Kowloon Inland Lot No. 2213.	The property comprises four units on the Ground Floor and one unit on the 4th Floor of Fung Wah Factorial Building which is a 7-storey industrial building completed in 1960. The total saleable area of the property is 441.30 sq.m. (5,396 sq.ft.) approximately, with the individual workshop space as follows: **Workshop** / **sq.m.** / **sq.ft.** A2 on G/F 79.34 854 B1 on G/F 79.62 857 B2 on G/F 98.01 1,055 C2 on G/F 66.70 718 B on 4/F 117.63 1,912 The building is erected on a site with a registered area of 855.21 sq.m. (9205.5 sq.ft.) including a scavenging lane with an area of 63.17 (680 sq.ft.) approximately. The property is held under a Government Lease for a term expired on 30 June 1997 and has been extended until 30 June 2047 by the New Territories Leases (Extension) Ordinance. rent is equivalent to 3% of the rateable value for the time being of the property.	According to the information provided by the Company, the subject units are either leased or being owner-occupied, which are summarized in Note 9 below.	i. The existing use value of the 5 units subject to the existing tenancies – HK$104,530,000 ii. The site value of the 100% interests with vacant possession – HK$580,000,000 iii. The site value attributable to the 5 units – HK$178,265,000

Notes:

1. The registered owners of the property are as the followings:

Workshop Spaces A2, B1 and B2 on Ground Floor	–	Joyful Field Development Limited
Workshop Space C2 on Ground Floor	–	Ego Company Limited
Workshop Space B on 4th Floor	:	Wong Sau Kam

2. All the subject units are subject to a Deed of Mutual Covenant and Grant registered vide Memorial No. UB751468 dated 6 July 1970.

3. All the subject units are subject to an Order No. UBCSI/06-23/0025/11 by the Building Authority under S.24 (1) of the Buildings Ordinance registered vide Memorial No. 16051600750541 dated 19 February 2013 Remarks: For common Part(s) only registered vide Memorial No. 16051600750541 dated 19 February 2013.

4. All the subject units are subject to a Sealed Copy of Judgement in favour of Chau Yan Chi Catherine (Plaintiff) and The Incorporated Owners of Fung Wah Factorial Building (Defendant) Remarks: Under DCCJ1459/2014 Re: The Part in Green or any part thereof as per the Ground Floor Plan annexed in the Instrument registered vide Memorial No. 14090800830013 DATED 22 July 2014.

5. In additions, the individual units are subject to the following encumbrances:

Workshop A2 on Ground Floor –

i). Mortgage in favour of The Yien Yieh Commercial Bank Limited registered vide Memorial No. UB7487251 dated 11 May 1998,

ii). Notice No. WCBZ/S201490/01/K-U07 by the Building Authority under S.24C(1) of the Building Ordinance registered vide Memorial No. 08021300560312 dated 28 May 2007,

iii). Order No. UBCSI/06-23/0026/11 under Section 24(1) of the Buildings Ordinance by the Building Authority registered vide Memorial No. 16051600750555 dated 19 February 2013;

iv). Conditional Provisional Agreement for Sale and Purchase in favour of Treasure Arts International Group Limited by Chau Yan Chi Catherine registered vide Memorial No. 16070600810013 dated 8 June 2016 (Deed Pending Registration)

v). Agreement For Sale And Purchase in favour of Treasure Arts Group Limited by Chau Yan Chi Catherine Re The Land Shaded Green on the plan referred and annexed to the Judgment registered in the Land Registry by Memorial No. 14090800830013 vide Memorial Nos. 16071400160011 dated 17 June 2016 (Deed Pending Registration).

Workshop B1 on Ground Floor –

i). Mortgage in favour of The Yien Yieh Commercial Bank Limited registered vide Memorial No. UB7487251 dated 11 May 1998,

ii). Notice No. WCBZ/S201491/01/K-U07 by the Building Authority under S.24C(1) of the Building Ordinance registered vide Memorial No. 08021300560305 dated 28 May 2007,

iii). Sub-Deed of Covenant registered vide Memorial No. 12030202200057 dated 16 February 2012,

iv). Order No. UBCSI/06-23/0027/11 under Section 24(1) of the Buildings Ordinance by the Building Authority registered vide Memorial No. 16051600750569 dated 19 February 2013;

v). Conditional Provisional Agreement for Sale and Purchase in favour of Treasure Arts International Group Limited by Chau Yan Chi Catherine registered vide Memorial No. 16070600810013 dated 8 June 2016 (Deed Pending Registration)

vi). Agreement For Sale And Purchase in favour of Treasure Arts Group Limited by Chau Yan Chi Catherine Re The Land Shaded Green on the plan referred and annexed to the Judgment registered in the Land Registry by Memorial No. 14090800830013 vide Memorial Nos. 16071400160011 dated 17 June 2016 (Deed Pending Registration).

Workshop B2 on Ground Floor –

i). Notice No. WCBZ/S201491/01/K-U07 by the Building Authority under S.24C(1) of the Building Ordinance registered vide Memorial No. 08021300560198 dated 28 May 2007

ii). Mortgage and Assignment of Rentals in favour of China Construction Bank (Asia) Corporation Limited registered vide Memorial No. 12022701920096 and 12022701920101 respectively both dated 16 February 2012,

iii). Sub-Deed of Covenant registered vide Memorial No. 12030202200057 dated 16 February 2012,

iv). Conditional Provisional Agreement for Sale and Purchase in favour of Treasure Arts International Group Limited by Chau Yan Chi Catherine registered vide Memorial No. 16070600810013 dated 8 June 2016 (Deed Pending Registration)

v). Agreement For Sale And Purchase in favour of Treasure Arts Group Limited by Chau Yan Chi Catherine Re The Land Shaded Green on the plan referred and annexed to the Judgment registered in theWaiver Letter Remarks: From the Government of the Hong Kong Special Administrative Region By The District Lands Officer/Kowloon West registered vide Memorial No. 05051001280012 dated 18 April 2005.

Workshop C2 on Ground Floor –

i). Waiver Letter Remarks: From the Government of the Hong Kong Special Administrative Region By The District Lands Officer/Kowloon West registered vide Memorial No. 05051001280012 dated 18 April 2005,

ii). Waiver Letter Remarks: From the Government of the Hong Kong Special Administrative Region By The District Lands Officer/Kowloon West registered vide Memorial Nos. 12020901460025 dated 6 February 2012,

iii). Order No. UBCSI/06-23/0028/11 under Section 24(1) of the Buildings Ordinance by the Building Authority registered

iv). vide Memorial Nos. 16051600750579 dated 19 February 2013.

Workshop B on 4th Floor –

i). Conditional Provisional Agreement for Sale and Purchase in favour of Treasure Arts International Group Limited by Chau Yan Chi Catherine registered vide Memorial No. 16070600810013 dated 8 June 2016 (Deed Pending Registration),

ii). Agreement For Sale And Purchase in favour of Treasure Arts Group Limited by Chau Yan Chi Catherine Re The Land Shaded Green on the plan referred and annexed to the Judgment registered in the Land Registry by Memorial No. 14090800830013 vide Memorial Nos. 16071400160011 dated 17 June 2016 (Deed Pending Registration),

iii). Provisional Agreement For Sale And Purchase and Agreement For Sale And Purchase in favour of Daily Leader Limited registered vide Memorial Nos. 16072700660023 and 16072700660039 dated 1 July 2016 and 15 July 2016 respectively (Deed Pending Registration).

6. Fung Wah Factorial Building is located on The property is located on the northern side of Castle Peak Road at its junction with Tai Nan West Street in Cheung Sha Wan district in Kowloon. The locality is a well-established industrial area of Cheung Sha Wan, which comprises mostly multi-storey flatted factory buildings of various age. It is conveniently served by public transportation such as buses, light buses and taxis. The Lai Chi Kok MTR station is just a few minutes' walk from the property.

7. The Government Lease of New Kowloon Inland Lot No. 2213 was granted originally for factory for manufacture of soy ginger sauce preserved fruits or vegetables or Chinese sweetmeats. The subject sections of the Lot and were subsequently varied and modified for general industrial uses by two Modification Letters registered vide Memorial Nos. UB283108 and UB279424 dated 22 March 1958 and 24 March 1958 respectively.

8. The property is zoned "Other Specified Uses (Business 1)" on Cheung Sha Wan Outline Zoning Plan No. S/K5/36 dated 11 March 2016.

   According to the explanatory note attached to the Outline Zoning Plan, on land designated "Other Specified Uses (Business 1)", no new development, or addition, alternation and/or modification to or redevelopment of an existing building shall result in a total development and/or redevelopment of an existing building shall result in a total development and/or redevelopment in excess of a maximum plot ratio of 12.0 or the plot ratio of the existing building(s), whichever is the greater. A minimum setback of 2 m. from the lot boundary abutting Castle Peak Road shall be provided.

9. The occupation and leasing status of the property are as follows:

Premises	**Occupation/ Lease Status**	**Monthly Rent**	**Remarks**
Workshop A2 on Ground Floor	Owner occupied	–	Occupied as a bakery
Workshop B1 and B2 on Ground Floor	Owner occupied	–	Occupied as a restaurant
Workshop C2 on Ground Floor	1 December 2015 – 30 November 2018	HK$75,000 inclusive of Government rates, Government rent management fee and waiver fees	Leased for industrial purpose
Workshop B on 4th Floor	16 March 2015 – 15 March 2017	HK$12,300 exclusive of Government rates, Government rent and management fee	Leased for commercial purpose

10. The current uses of the subject units on the Ground Floor are deviated from the general industrial purposes. We note that these units are subject to the temporary waiver as the followings:

    i. By a waiver letter dated 25 March 1986, Workshop Space A2 was granted a temporary waiver for an area not exceeding 51 sq.m. (549 sq.ft) for the purpose of a canteen used exclusively by the people employed on the subject lots. This waiver is for the life time of the exceeding building.

    ii. By a waiver letter dated 25 March 1986, Workshop Space B1 was granted a temporary waiver for an area not exceeding 79.7 sq.m. (858 sq.ft) for the purpose of a canteen used exclusively by the people employed on the subject lots. This waiver is for the life time of the exceeding building.

    iii. By a waiver letter dated 25 March 1986, Workshop Space B2 was granted a temporary waiver for an area not exceeding 99 sq.m. (1,066 sq.ft) for the purpose of a canteen used exclusively by the people employed on the subject lots. This waiver is for the life time of the exceeding building.

    iv. By a waiver letter dated 3 August 2006 registered vide Memorial No. 06080901650013, Workshop Space A2 was granted a temporary waiver for an area not exceeding 31.6 sq.m. (340 sq.ft) for the purpose of a bakery shop selling cakes and bread. This waiver was initial for a term of three years from 24 July 2003 and thereafter quarterly until the waiver is terminated or revoked pursuant to the conditions stipulated in the waiver letter. The temporary waiver is subject to a payment of an annual waiver fee payable on quarterly basis which is reviewable by the Government. We note that this unit is currently used as a bakery shop and therefore believe that this temporary waiver remains effective at the date of valuation.

v. By a waiver letter dated 18 April 2005 registered vide Memorial No. 05051001280012, Workshop Space C2 was granted a temporary waiver for an area not exceeding 23.2 sq.m. (250 sq.ft.) for the purpose of office (excluding office which involves direct provision of customer services or goods to the public) and another area not exceeding 13.9 sq.m. (150 sq.ft) for the purpose of retail shop. This waiver was initial for a term of three years from 24 July 2004 and thereafter quarterly until the waiver is terminated or revoked pursuant to the conditions stipulated in the waiver letter. An annual waiver fee is payable on quarterly basis for the temporary waiver which is reviewable by the Government. We have no knowledge whether this temporary remains effective at the date of valuation.

vi. By a waiver letter dated 6 February 2005 registered vide Memorial No. 12020901460026, Workshop Space C2 was granted a temporary waiver for an area not exceeding 16.18 sq.m. (174 sq.ft.) for the purpose of money exchange. This waiver was initial for a term of three years from 15 January 2009 and thereafter quarterly until the waiver is terminated or revoked pursuant to the conditions stipulated in the waiver letter. An annual waiver fee is payable on quarterly basis for the temporary waiver which is reviewable by the Government. We note that this unit is currently used as a money exchange and therefore believe that this temporary waiver remains effective at the date of valuation and it is likely that this temporary waiver has replaced the temporary waiver as mentioned in (v) above.

11. In our valuation, we have made reference to comparable transactions of old industrial properties in Cheung Sha Wan. Appropriate adjustments and analysis are made to the differences between the comparable properties and the subject property such as location, size, time of transaction, age and quality of the building etc. The adjusted unit rates of these comparables are in the range of about HK$3,543 to HK$4,056 per sq.ft. Our valuation of the upper floor unit falls within this range. Comparables of the ground floor units with temporary waiver are however scare. We have taken into consideration the newly built development, W668 at Castle Peak Road. Industrial units of Ground Floor together with 1st Floor in W688 could fetch a price of HK$33,603 to HK$50,120 per sq.ft. In addition, we have also taken into account of the existing rental of the subject units (if any) and conclude a valuation of the ground floor units at unit rates of HK$20,000 to HK$30,000 per sq.ft. to reflect the nature of the temporary waiver whether it could last for the life time of the building with waiver fee paid off or it could be terminable with waiver fee reviewable.

12. In assessing the site value attributable to the 5 units, we have apportioned the 100% site value in accordance with the proportion of the existing value of the property to the total existing value of all the units in the building currently erected on the subject lots, which is assessed to be HK$340,110,000. No allowance has been given to the possible costs, which are required for the amalgamation of the 100% shares of the subject lots either by private negotiation or by the compulsory sale order under Land (Compulsory Sale For Redevelopment) Ordinance Cap 545.

1. RESPONSIBILITY STATEMENT

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

2. DISCLOSURE OF INTERESTS

(a) Directors' interest in Shares, underlying Shares and debentures

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

Name of Director	Capacity	Number of Shares held (long position)	Number of underlying held	Total	Approximate percentage of interest
Ms. Lui Yuk Chu	Beneficiary of a trust *(note i)*	457,330,692	880,281	458,210,973	38.62%
Ms. Koon Ho Yan Candy	Beneficiary of a trust *(note ii)*	457,330,692	880,281	458,210,973	38.62%

Notes:

(i) These Shares are respectively registered in the name of and are beneficially owned by Landmark Profits Limited ("**Landmark Profits**") and Goodco, both are wholly-owned subsidiaries of Easyknit International. Sea Rejoice Limited is interested in approximately 21.95% of the issued share capital of Easyknit International Holdings Limited ("**Easyknit International**") and it is wholly-owned by Ms. Lui Yuk Chu. Magical Profits Limited ("**Magical Profits**") is interested in approximately 36.74% of the issued share capital of Easyknit International. Magical Profits is wholly-owned by Accumulate More Profits Limited which in turn is wholly-owned by The Winterbotham Trust Company Limited ("**Winterbotham Trust**") as the trustee of The Magical 2000 Trust (the beneficiaries of which include Ms. Lui Yuk Chu and her family members other than her spouse).

(ii) Ms. Koon Ho Yan Candy, the daughter of Ms. Lui Yuk Chu and a Director, is deemed to be interested in the Shares by virtue of her capacity as one of the beneficiaries of The Magical 2000 Trust.

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

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

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

Name of Shareholder	*Note*	Capacity	Number of Shares held (long position)	Number of underlying Shares held	Total	Approximate percentage of interest
Koon Wing Yee	*i*	Interest of spouse	457,330,692	880,281	458,210,973	38.62%
Landmark Profits	*i & ii*	Beneficial owner	93,549,498	–	93,549,498	7.88%
Goodco	*i & ii*	Beneficial owner	363,781,194	880,281	364,661,475	30.73%
Easyknit International	*i & ii*	Interest of controlled corporation	457,330,692	880,281	458,210,973	38.62%
Magical Profits	*i & iii*	Interest of controlled corporation	457,330,692	880,281	458,210,973	38.62%
Accumulate More Profits Limited	*i*	Interest of controlled corporation	457,330,692	880,281	458,210,973	38.62%
Winterbotham Trust	*i & iv*	Trustee	457,330,692	880,281	458,210,973	38.62%
Winterbotham Holdings Limited	*iv*	Interest of controlled corporation	457,330,692	880,281	458,210,973	38.62%
Markson International Holdings Limited	*iv*	Interest of controlled corporation	457,330,692	880,281	458,210,973	38.62%
Christopher Geoffrey Douglas Hooper	*iv*	Interest of controlled corporation	457,330,692	880,281	458,210,973	38.62%
Ivan Geoffery Douglas Hooper	*iv*	Interest of controlled corporation	457,330,692	880,281	458,210,973	38.62%
Madian Star Limited	*v*	Beneficial owner	–	260,606,060	260,606,060	21.96%
Lung Chung Chi		Beneficial owner	173,230,000	–	173,230,000	15.24%
Hu Rong		Beneficial owner	90,260,000	–	90,260,000	8.08%
Able Merchant Limited	*vi*	Beneficial owner	20,000,000	152,222,222	172,222,222	14.51%

Notes:

(i) In the 457,330,692 Shares, 93,549,498 Shares and 363,781,194 Shares are registered in the name of and beneficially owned by Landmark Profits and Goodco respectively, both are the wholly-owned subsidiaries of Easyknit International. Goodco is also interested in 880,281 underlying Shares (subject to adjustment) to be issued upon the full conversion of the convertible note. Sea Rejoice Limited is interested in approximately 21.95% of the issued share capital of Easyknit International and it is wholly-owned by Ms. Lui Yuk Chu, a Director. Magical Profits is interested in approximately 36.74% of the issued share capital of Easyknit International. Magical Profits is wholly-owned by Accumulate More Profits Limited which in turn is wholly-owned by Winterbotham Trust as the trustee of The Magical 2000 Trust (the beneficiaries of which include Ms. Lui Yuk Chu and her family members other than her spouse). Ms. Koon Ho Yan Candy, the daughter of Ms. Lui Yuk Chu and a Director, is deemed to be interested in the Shares by virtue of her capacity as one of the beneficiaries of The Magical 2000 Trust. Mr. Koon Wing Yee, being the spouse of Ms. Lui Yuk Chu, is deemed to be interested in the 457,330,692 Shares and 880,281 underlying Shares by virtue of the SFO.

(ii) Mr. Kwong Jimmy Cheung Tim and Ms. Lui Yuk Chu, being Directors, are also directors of Landmark Profits, Goodco and Easyknit International. Ms. Koon Ho Yan Candy, being a Director, is also a Director of Easyknit International.

(iii) Ms. Lui Yuk Chu, being a Director, is also a director of Sea Rejoice Limited and Magical Profits.

(iv) Winterbotham Trust is trustee of The Magical 2000 Trust (the beneficiaries of which include Ms. Lui Yuk Chu and her family members other than her spouse). Winterbotham Trust is owned as to 75% by Winterbotham Holdings Limited ("**Winterbotham Holdings**") and 25% by Markson International Holdings Limited ("**Markson**") respectively. Winterbotham Holdings is owned as to approximately 99.99% by Mr. Christopher Geoffrey Douglas Hooper. And Markson is owned as to 60% by Mr. Christopher Geoffrey Douglas Hooper and 40% by Mr. Ivan Geoffrey Douglas Hooper respectively.

(v) the noteholder of a convertible note issued by the Company to Madian Star Limited on 12 June 2015 in the aggregate principal amount of HK$86,000,000 for a term of 2 years and conferring rights to convert Shares on the basis of the then conversion price of HK$0.33 per Share.

(vi) the noteholder of a convertible note issued by the Company to Able Merchant Limited on 27 July 2016 in the aggregate principal amount of HK$50,000,000 for a term of 3 years and conferring rights to convert Shares on the basis of the initial conversion price of HK$0.225.

Save as disclosed above, as at the Latest Practicable Date, the Directors and chief executive of the Company were not aware of any other persons who had an interest or short position in the Shares or 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 who were, directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group or had any options in respect of such capital.

3. DIRECTORS' SERVICE CONTRACTS

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

4. MATERIAL CONTRACTS

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

(a) the placing agreement dated 11 August 2014 entered into between the Company and Get Nice Securities Limited, as the placing agent, to place 78,000,000 new shares of the Company at a placing price of HK$0.30 per share;

(b) the underwriting agreement dated 5 September 2014 entered into between the Company and Get Nice Securities Limited, as the underwriter, in relation to the underwriting and certain other arrangements in respect of a rights issue of 450,132,472 rights shares at the subscription price of HK$0.70 per right share;

(c) the underwriting agreement dated 2 February 2015 entered into between the Company and Get Nice Securities Limited, as the underwriter, in relation to the underwriting and certain other arrangements in respect of a rights issue of 506,399,020 rights shares at the subscription price of HK$0.65 per rights share;

(d) the underwriting agreement dated 6 August 2015 entered into between the Company and Get Nice Securities Limited, as the underwriter, in relation to the underwriting and certain other arrangements in respect of a rights issue of 1,063,437,920 rights shares at the subscription price of HK$0.48 per rights shares;

(e) the sale and purchase agreement and supplemental agreements dated 13 June 2016 and 20 June 2016 respectively entered into between Skill Master as the purchaser and the seller (an Independent Third Party) relating to the sale and purchase of the sale share and sale loan of Treasure Arts International Group Limited for a an total consideration of HK$51,981,900; and

(f) the Agreement.

5. DIRECTORS' INTEREST IN CONTRACTS AND ASSETS

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

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

6. DIRECTORS' INTEREST IN COMPETING BUSINESS

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

7. LITIGATION

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

8. EXPERTS AND CONSENTS

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

Name	Qualification
Vigers Appraisal and Consulting Limited	Independent Professional Valuer
Deloitte Touche Tohmatsu	Certified Public Accountants
Cosmos CPA Limited	Certified Public Accountants

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

(a) any direct or indirect interest in any assets which have been, since 31 March 2016 (being the date to which the latest published audited accounts of the Company were made up), acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group; and

(b) any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

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

9. GENERAL

(a) The company secretary of the Company is Mr. Lee Po Wing, a practising solicitor since 1994 with extensive experience in legal field;

(b) The registered office of the Company is at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda and the principal place of business of the Company in Hong Kong is at Block A, 7th Floor, Hong Kong Spinners Building, Phase 6, 481-483 Castle Peak Road, Cheung Sha Wan, Kowloon, Hong Kong;

(c) The Hong Kong branch share registrar and transfer office of the Company is Tricor Secretaries Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong; and

(d) The English text of this circular prevails over the Chinese text.

10. DOCUMENTS AVAILABLE FOR INSPECTION

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

(a) the memorandum of association and bye-laws of the Company;

(b) the annual reports of the Company containing audited consolidated financial statements of the Company for the three years ended 31 March 2014, 2015 and 2016;

(c) the accountants' report on DLL issued by Cosmos CPA Limited, the text of which is set out in Appendix II to this circular;

(d) the letter from Deloitte Touche Tohmatsu in respect of the unaudited pro forma statement of assets and liabilities of the Enlarged Group as set out in Appendix III to this circular;

(e) the valuation report prepared by Vigers Appraisal and Consulting Limited, the text of which is set out in Appendix IV;

(f) the letters of consent referred to in the paragraph headed "Experts and consents" in this appendix;

(g) the material contracts referred to the paragraph headed "Material contracts" in this appendix;

(h) a copy of each circular issued pursuant to the requirement set out in Chapter 14 and/or 14A of the Listing Rules which has been issued since the date of the latest published audited accounts; and

(i) this circular.

EMINENCE ENTERPRISE LIMITED
高山企業有限公司

(incorporated in Bermuda with limited liability)

(Stock Code: 616)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a special general meeting (the "**Meeting**") of Eminence Enterprise Limited (高山企業有限公司) (the "**Company**") will be held at Block A, 7th Floor, Hong Kong Spinners Building, Phase 6, 481-483 Castle Peak Road, Cheung Sha Wan, Kowloon, Hong Kong, on Friday, 7 October 2016, at 9:10 a.m. for the purpose of considering and, if thought fit, passing the following resolution, with or without amendments, as an ordinary resolution of the Company:

ORDINARY RESOLUTION

"**THAT**:

(a) the Agreement dated 3 August 2016 entered into by the seller as vendor and the Company or its subsidiary as purchaser in relation to the sale and purchase of the entire issued share capital and the sale loan of Daily Leader Limited; and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified; and

(b) any one director of the Company be and is hereby authorized for and on behalf of the Company to execute all such documents, instruments and agreements and do all such acts, matters and things as he/she may in his/her absolute discretion consider necessary, desirable or expedient for the purposes of or in connection with implementing, completing and giving effect to the acquisition and the transactions contemplated thereunder and to agree to such variations of the terms of the Acquisition as he/she may in his/her absolute discretion consider necessary or desirable."

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

Hong Kong, 15 September 2016

Registered office:
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Head office and principal place of business in Hong Kong:
Block A, 7th Floor
Hong Kong Spinners Building, Phase 6
481-483 Castle Peak Road
Cheung Sha Wan
Kowloon
Hong Kong

Notes:

1. A form of proxy for use at the Meeting is enclosed herewith.

2. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of any officer or attorney duly authorised.

3. Any shareholder of the Company entitled to attend and vote at the Meeting convened by the above notice shall be entitled to appoint another person as his proxy to attend and vote instead of him. A proxy need not be a shareholder of the Company.

4. In order to be valid, the form of proxy, together with the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power of attorney or authority, must be deposited at the Company's branch share registrar in Hong Kong, Tricor Secretaries Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for holding of the above Meeting.

5. Completion and return of the form of proxy will not preclude a shareholder of the Company from attending and voting in person at the Meeting convened and in such event, the form of proxy will be deemed to be revoked.

6. Where there are joint holders of any share of the Company, any one of such joint holders may vote, either in person or by proxy, in respect of such share as if he/she were solely entitled thereto, but if more than one of such joint holders are present at the Meeting, whether in person or by proxy, the most senior shall alone be entitled to vote. For this purpose, seniority shall be determined by the order in which the names stand on the register of members of the Company in respect of the joint holding.