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EMINENCE ENTERPRISE LIMITED

高山企業有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 616)

MAJOR TRANSACTION

ACQUISITION OF THE SALE SHARE AND THE SALE LOAN

THE AGREEMENT

On 13 June 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 at a total consideration of HK\$45,214,900. The Sale Share represents 100% equity interest in TAI whilst the Sale Loan represents the entire amount of shareholder's loan owing by TAI to the Seller as at the Completion Date.

Upon completion of the Acquisition, Skill Master will be the owner of Properties in the Building; and when aggregate with the undivided shares of GI Property, the Group shall have 60% of the undivided shares of the Building. The Group intends to acquire the Remaining Units so as to be the owner of the whole Building and may contemplate to redevelop if and when the Directors consider market sentiment to be appropriate.

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

IMPLICATIONS UNDER THE LISTING RULES

As the applicable percentage ratios (as defined in the Listing Rules) of the Acquisition exceed 25% but are less than 100%, the Acquisition constitutes a major transaction under Rule 14.06(3) of the Listing Rules, and is therefore subject to the reporting, announcement and Shareholders' approval requirements under the Listing Rules.

GENERAL

The SGM will be convened and held to consider and, if thought fit, approve the Acquisition and the transactions contemplated thereunder. A circular containing, among other things, (i) further details of the Acquisition; (ii) financial information on the Properties; (iii) financial information on the Group and TAI; and (iv) independent property valuation report of the Properties, together with a notice convening the SGM is expected to be despatched to the Shareholders on or before 15 July 2016 as additional time is required for preparing the financial information of the Group.

THE AGREEMENT

Date : 13 June 2016

Purchaser : Skill Master

Seller : Mr. Ng, an individual person who is the legal and beneficial owner of the entire issued share capital of the TAI, 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. Prior to the 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 TAI, and the Sale Loan.

TAI is legally and beneficially interested in the 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 Acquisition, TAI 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 TAI by, and having been completed to the satisfaction of, Skill Master in its sole discretion; and
3. 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\$45,214,900 shall be paid in cash and shall be paid as follows:

1. the deposit in the sum of HK\$38,082,500 shall be paid to the Seller upon the signing of the Agreement;
2. the balance of HK\$7,132,400 shall be paid to the Seller upon Completion.

The consideration of HK\$45,214,900 was determined after arm's length negotiations between Skill Master and the Seller after taking into consideration the fair value of the Sale Share and the face value of the Sale Loan and the future development potential of the Properties.

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

Acquisition of the Properties by TAI

TAI entered into 18 provisional agreements with 15 Property Vendors for the acquisition of the Properties. The completion of all the Property Purchase Agreements is expected to be on or before 5 August 2016. The purchase price of the Properties under the Property Purchase Agreements and the supplemental agreements is HK\$178,310,000.

TAI has paid a total of HK\$15,895,000 as deposits under the Property Purchase Agreements (representing approximately 8.90% of the total consideration under all the Property Purchase Agreements) to the Property Vendors and HK\$13,272,000 for stamp duty. Upon completion of the Property Purchase Agreements on or before 5 August 2016, TAI will have to pay the balance of the consideration in the sum of HK\$162,415,000 to the Property Vendors. If the Agreement completes on the Completion Date, TAI 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 TAI.

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

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Group's principal businesses are in 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 International Limited, a wholly-owned subsidiary of the Company, becomes the owner of Unit B, 1/F of the Building on 11 November 2015 ("**GI Property**").

TAI is the purchaser under the Property Purchase Agreements. The acquisition of Sale Share and Sale Loan of TAI will enable the Group to acquire the Properties, which represents about 56.67% of the undivided shares of the Building; and when aggregate them with the GI Property, the Group shall have 60% of the undivided shares of the Building (as contemplated by section 3(1) of the Land (Compulsory Sale for Redevelopment) Ordinance). The Group intends to acquire the Remaining Units so as to be the owner of the whole Building and may contemplate to redevelop 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.

Based on the preliminary valuation by independent valuers, the market value in existing state of the Properties is approximately HK\$130,500,000 as at 8 June 2016.

7 of the 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. Such tenancies will be expired between late 2016 and late 2019.

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

The Directors are of the view that with the future development potential of the site, the total consideration of the 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.

Information on TAI

TAI was incorporated in the British Virgin Islands and have never carried on any business save for entering into the Property Purchase Agreements. Accordingly, from the date of incorporation of TAI up until the date of the Agreement, there are no profits attributable to TAI. The net asset value of TAI as at 13 June 2016 is HK\$8.00.

Its sole material assets are the 18 Property Purchase Agreements, the paid deposits and stamp duty and its rights under the Property Purchase Agreements. The liabilities of TAI consist of a debt (owed to the Seller) of HK\$29,166,992 and its liabilities under the Property Purchase Agreements.

IMPLICATIONS UNDER THE LISTING RULES

As the applicable percentage ratios (as defined in the Listing Rules) of the Acquisition exceed 25% but are less than 100%, the Acquisition constitutes a major transaction under Rule 14.06(3) of the Listing Rules, and is therefore subject to the reporting, announcement and shareholders' approval requirements under the Listing Rules.

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DEFINITIONS

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

“Acquisition”	the proposed acquisition of the Sale Share and Sale Loan by Skill Master subject to the terms and conditions of the Agreement
“Agreement”	an agreement dated 13 June 2016 entered into between Skill Master and the Seller for the sale and purchase of Sale Share
“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 31 units and an 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 5 August 2016, or such other dates the parties may agree in writing
“Consideration”	the aggregate consideration of HK\$45,214,900 includes the amount of HK\$16,047,908 to acquire the Sale Share and the amount of HK\$29,166,992 to acquire the Sale Loan payable by Skill Master to the Seller under the Agreement
“Director(s)”	director(s) 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
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“percentage ratios”	the meaning ascribed thereto in Chapter 14 of the Listing Rules
“PRC”	the People’s Republic of China
“Properties”	18 units of the Building which are: (1) Unit C 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 and C of 4th Floor; and (5) Units B, C and D of 5th Floor; and (6) Units A, B, C and D of 6th Floor; and (7) AP common part
“Property Purchase Agreement(s)”	the 18 provisional agreements for sale and purchase entered into between TAI and each of the Property Vendor(s) in relation to the sale and purchase of the Properties
“Property Vendors”	the respective vendor(s) of each of the Property Purchase Agreements(s), each of which are Independent Third Parties

“Remaining Units”	14 units of the Building which are: (1) Units A1, A2, B1, B2, C1, C2 and D of Ground Floor; and (2) Units A, B & D of 1st Floor; and (3) Unit D of 2nd Floor; and (4) Units B and 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\$29,166,992 owing by TAI to the Seller as at the Completion Date
“Sale Share”	the one ordinary share of US\$1.00 in the share capital of TAI, which has been issued and fully paid up and which represents the entire issued share capital of TAI at completion
“Seller”	Mr. Ng, an individual person who is an Independent Third Party
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Skill Master”	Skill Master Investments Limited, a company incorporated in the British Virgin Islands and is a direct wholly-owned subsidiary of the Company
“TAI”	Treasure Arts International Group Limited, a company incorporated in the British Virgin Islands, which is wholly-owned by the Seller

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

Hong Kong, 13 June 2016

As at the date hereof, the Board comprises Mr. Kwong Jimmy Cheung Tim, Ms. Lui Yuk Chu and Ms. Koon Ho Yan Candy as executive directors, Mr. Tse Wing Chiu Ricky and Mr. Lai Law Kau as non-executive directors; and Mr. Kan Ka Hon, Mr. Lau Sin Ming and Mr. Foo Tak Ching as independent non-executive directors.