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EMINENCE ENTERPRISE LIMITED

高山企業有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 616)

**MANDATE FOR POSSIBLE VERY SUBSTANTIAL DISPOSAL
- DISPOSAL BY TENDER OF ENTIRE INTEREST IN
CAPITAL CENTRE, NO. 151 GLOUCESTER ROAD, HONG KONG**

The Board will seek from Shareholders the Proposed Mandate granting prior authorisation for the sale by tender of the entire interest of the Group in Capital Centre, 151 Gloucester Road, Hong Kong, subject to a Minimum Price which was decided by the Board taking into consideration the professionally-appraised value of the Properties.

As one of the applicable percentage ratios set out in the Listing Rules in respect of the Possible Disposal exceeds 100%, the Possible Disposal if it proceeds will constitute a very substantial disposal of the Company under Chapter 14 of the Listing Rules. The Possible Disposal is therefore subject to the reporting, announcement and shareholders' approval requirements.

A circular containing, among other things, (i) further information on the Possible Disposal; (ii) a valuation report on the Properties; (iii) notice of the SGM and (iv) other information required under the Listing Rules will be despatched to Shareholders on or before 26 October, 2018. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholder has any material interest in the Possible Disposal and no Shareholder is required to abstain from voting at the SGM.

WARNING

The Possible Disposal is conditional upon the approval of shareholders, a successful tender and a binding agreement for sale being entered into. Accordingly, the Possible Disposal may or may not proceed. Shareholders and potential investors should therefore exercise caution when dealing in the securities of the Company.

BACKGROUND

On 11 January, 2018 the Group agreed to purchase the Properties for a consideration of HK\$295 million (subject to adjustments). That acquisition was approved by Shareholders on 11 April, 2018 and completed on 30 April, 2018. The Directors consider that it is now in the interest of the Company to dispose of its entire interest in the Properties and are seeking the Proposed Mandate for that disposal by tender at a Minimum Price which was decided by the

Board taking into consideration the professionally-appraised value of the Properties. The Proposed Mandate is being sought to give the Board maximum flexibility in a sale and increase the pool of possible buyers, with a view to maximising the sales price.

CONDITIONS PRECEDENT

The Possible Disposal is conditional upon the Shareholders' approving the Proposed Mandate granting prior authorisation for the sale of the entire interest of the Group in the Properties by tender at or above the Minimum Price, a successful tender and a binding agreement or agreements for sale of the Properties being entered into. The Proposed Mandate will remain valid for 12 months after the date of its approval by the Shareholders.

INFORMATION ON THE PROPERTIES

The Properties are located in a prime location of the business district in Wan Chai. Situated in Gloucester Road, the Properties enjoy a view of Victoria Harbour. Developments in the vicinity predominately comprise commercial buildings and hotels such as The Sun's Group Centre and King's Hotel. The Properties benefit from excellent transport links with readily available public transportation. The Properties are located within 10-minute walking distance from MTR Wan Chai Station.

The Properties offer a large floor area and comprise office units 01,02,03,05,06,07,08, and 09 (whole floor) on the 12th Floor, with a total gross floor area of approximately 14,500 square feet, and car parking spaces numbers 329, 330 and 331 on the 3rd floor, of Capital Centre, 151 Gloucester Road, Hong Kong, which is a 26-storey commercial building completed in 1982.

The following is a summary of the current tenancies. The remainder of the units in the Properties are vacant:-

Properties	Tenancy Agreement Date	Tenant	Term		Rent/month [#]
			Start	End	
Unit 1201A, 12/F, 151 Gloucester Road, HK.	2018/05/01	Brilliant Circle Holdings International Limited	2018/05/01	2020/04/30	HK\$256,240.00
Unit 1202, 12/F, 151 Gloucester Road, HK.	2018/05/01	Brilliant Circle Holdings International Limited	2018/05/01	2020/04/30	HK\$62,559.00

[#] Management fee, government rent & rates are borne by tenant.

The book value of the Group's interest in the Properties was HK\$310 million as at 31 August, 2018 and the Group's aggregate acquisition cost of them was approximately HK\$295 million. If the Possible Disposal proceeds at the Minimum Price of HK\$310 million the Company expects to recognize a gain on disposal of not less than approximately HK\$15 million on sale of the Properties. This gain is calculated based on the excess of the Minimum Price over the acquisition price. The actual amount of the gain will depend on the actual sales price.

The net proceeds will be applied as general working capital and for possible acquisitions.

VALUATION

According to a valuation report prepared by Vigers Appraisal and Consulting Limited on 19 September, 2018, the market value of the Properties is HK\$310 million. For this purpose, "market value" is defined as intended to mean "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".

REASONS FOR AND BENEFITS OF THE POSSIBLE DISPOSAL BY TENDER

One of the principal activities of the Group is property investment. The Properties were acquired by the Group earlier this year. In its circular relating to the acquisition the Company said amongst other things that management expected the commercial property market of Hong Kong to be in a rising trend in the future and that the Board intended to lease out the Properties with a view to generate a steady flow of rental income for the Group. The market has changed since then, as discussed below.

It also said in the same circular that the Board expected a value appreciation of the Properties in consideration of the then current commercial property market and that, where opportunity arises in the property market, the Directors may consider divesting all or part of the Group's interest in the Properties. Since then there has been a material change in circumstances. The United States has started a global trade war which has adversely affected equity and financial markets. The Directors believe that liquidity has been and, will continue to be affected, and that interest rates are rising and will continue to do so in the foreseeable future. The real estate sector is not immune from downward trends in the equity and financial markets. The Directors do not expect the trade war to be resolved in the short term and are of the view that the worst is still to come. Adjustments in the real estate sector will be inevitable and the Company will act prudently and swiftly to manage its investment portfolio.

As part of that process, the Directors consider that in light of this, to give the Company maximum flexibility in the sale and also increase the pool of possible buyers it is desirable to sell the Properties by tender subject to the Minimum Price being paid.

The Board believes that the Possible Disposal is in line with the investment management strategies of the Group and will provide funding for the Group to expand and diversify its property investment portfolio.

The following measures will safeguard the interests in the Possible Disposal of the Company and its Shareholders as a whole:

- a. major terms and conditions of the Possible Disposal, except the final consideration, will be disclosed in the tender documents;
- b. the Possible Disposal if it proceeds will be subject to the Minimum Price;
- c. the Proposed Mandate is subject to Shareholders' approval; and
- d. further details of the Proposed Mandate and the Possible Disposal will be in the circular, to enable Shareholders to make a properly-informed voting decision at the SGM.

TENDER PROCESS

No contract for the Possible Disposal has been executed.

The Company will sell the Properties by open tender at no less than the Minimum Price for a consideration that is expected to be in cash. As the Minimum Price was decided by the Board taking into consideration the professionally-appraised value of the Properties the Board is satisfied that it is a fair and reasonable price in the interests of the Company and the Shareholders as a whole. In the event there is no successful tenderer, the Company may re-tender or enter into negotiations with any tenderer. The Board will not enter into any arrangements for disposal of interests in the Properties unless it is satisfied that they are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

If Shareholders approve the Proposed Mandate and Possible Disposal the Directors intend to seek one or more buyers for the Group's entire interest in the Properties, by open tender of the Properties and/or the Intermediate Subsidiaries.

The tender will be undertaken through the Company's appointed solicitors or a property valuer. The tender will be an open process in which tenderers will be invited to submit tenders to the Company for the Properties and/or the Intermediate Subsidiaries and the Company will then decide which, if any, tender to accept.

If the tender proceeds, the Company will issue a tender notice setting out, inter alia:

(i) the Minimum Price;

(ii) the principal terms of the tender which will include an obligation on applicants to pay at the time of submitting their tenders a deposit of no less than 10 per cent of their offer prices and that acceptance by the Company will oblige the Company and the successful tenderer to execute an unconditional sale and purchase agreement within 7 days after the winning tender is selected;

(iii) how long the tender will remain open for applications - at present it is expected to be 21 days, during which period potential tenderers will be allowed to carry out due diligence reviews;

(iv) the period after close of the tender for the Company to consider tenders and notify the winning tenderer, if any, of its decision - at present it is expected that this will be 7 working days; and

(v) qualifications required of potential tenderers - at present it is expected that the only qualification will be that tenderers are Independent Third Parties.

The Company will complete the Possible Disposal within a specified period, at present expected to be 60 days after execution of an unconditional sale and purchase agreement. Under Chapter 14 of the Listing Rules the Possible Disposal is required to be subject to the approval of Shareholders. The Board will therefore seek the Shareholders' advance approval for the Possible Disposal by grant of the Proposed Mandate.

The Company will not accept any tender below the Minimum Price and will reserve the right to negotiate with any tenderer and/or to re-tender the Properties and/or the Intermediate Subsidiaries. The Company will not entertain or accept a tender from any person that is not an Independent Third Party. The final consideration for the Properties will depend on the agreed sales price, but will not be less than the Minimum Price.

In the event the initial tender is unsuccessful or the sale and purchase with the successful tenderer does not complete, the Company may re-tender its interest in the Properties within the period of the Proposed Mandate.

If and when a sale and purchase agreement for the Possible Disposal has been executed the Company will make an announcement in compliance with the Listing Rules giving all material information about the counterparty and the Possible Disposal that has not previously been given to Shareholders.

If the Group's interest in the Properties is disposed of by a sale of one or more of the Intermediate Subsidiaries the relevant company will cease to be a subsidiary of the Company following the transaction.

INFORMATION ON THE GROUP

The Group is principally engaged in property investment, property development, securities investment and loan financing business. The Group currently holds various commercial, industrial and residential properties in Hong Kong, Singapore and the PRC.

Each of the Intermediate Subsidiaries is a wholly-owned subsidiary of the Company. Through the Intermediate Subsidiaries the Company is the sole owner of the Properties. The principal activities of the Intermediate Subsidiaries are investment in the Properties.

LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios set out in the Listing Rules in respect of the Possible Disposal will exceed 100% based on the Minimum Price, the Possible Disposal will constitute a very substantial disposal of the Company under Chapter 14 of the Listing Rules. The Possible Disposal is therefore subject to the reporting, announcement and shareholders' approval requirements.

Because the Possible Disposal will constitute a very substantial disposal, ordinarily the Company would be required to seek Shareholders' approval after it has identified, and entered into a binding contract with, a buyer for the Properties and the contract must be conditional on

Shareholder approval. In practice, this means that there is often a material delay, which may be of several months, between contract and completion of sale. For a buyer, there is no certainty that the condition will be satisfied. As a result, the pool of potential buyers and thus the possible sale price for the Properties may be reduced, because buyers are unwilling to commit to, and pay deposits and incur financing and other costs in relation to, contracts that may take some time to complete and may even be terminated, through no fault of their own. The Proposed Mandate for the Possible Disposal will alleviate these problems as an open tender increases the pool of potential buyers and enables the Company to obtain the best market price for the Properties. With the Proposed Mandate, the Company will be able to transact with certainty and any purchaser of the Properties would not be open to or be deterred by the risk of non-completion. The Proposed Mandate will also enable the Company to react in timely manner to sell the Properties in the event of severe market disruption.

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

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DEFINITIONS

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

"Board"	the board of Directors;
"Company"	Eminence Enterprise Limited, an exempted company incorporated in Bermuda with limited liability, the Shares of which are listed on the main board of the Stock Exchange;
"Director(s)"	directors of the Company;
"Group"	the Company and its subsidiaries;
"HK\$"	Hong Kong dollars, the lawful currency of Hong Kong;
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China;

"Independent Third Party"	a third party independent of the Company and of connected persons (as defined in the Listing Rules) of the Company;
"Intermediate Subsidiaries"	Best Legend International Holdings Limited, a company incorporated in Hong Kong with limited liability, and Empire Sail Limited, the registered owner of the Properties, a company incorporated in the British Virgin Islands with limited liability, each of which is an indirect wholly-owned subsidiary of the Company;
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange;
"Minimum Price"	HK\$310 million being the aggregate price below which the Properties will not be sold;
"percentage ratios"	the meaning ascribed to it in the Listing Rules;
"Possible Disposal"	the possible disposal of the Group's entire interest in the Properties, by sale of the Properties and/or the Intermediate Subsidiaries;
"Properties"	all the properties held by the Company through the Intermediate Subsidiaries, including office units 01, 02, 03, 05, 06, 07, 08 and 09 on the 12th Floor (with a total gross floor area of approximately 14,500 square feet) and carparking spaces numbers 329, 330 and 331 on the 3rd Floor of Capital Centre, 151 Gloucester Road, Hong Kong;
"Proposed Mandate"	the Proposed Mandate to be granted to the Directors to enter into and complete the Possible Disposal by the Shareholders at the SGM;
"SGM"	a special general meeting of the Company to be convened and held for the purpose of considering and, if thought fit, granting the Proposed Mandate and the approving Possible Disposal;
"Shares"	ordinary shares 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; and
"subsidiary"	the meaning ascribed to it in the Listing Rules.

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

Hong Kong, 4 October, 2018

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