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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**

**DISPOSAL OF PROPERTY**

**THE DISPOSAL**

On 28 June 2024 (after trading hours), the Vendor, an indirect wholly-owned subsidiary of the Company, entered into the Preliminary Sale and Purchase Agreement with the Purchaser, pursuant to which the Vendor agreed to sell, and the Purchaser agreed to purchase, the Property at the Consideration, subject to fulfilment of the Conditions Precedent as stipulated in the Preliminary Sale and Purchase Agreement.

**LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios (as defined under the Listing Rules) for the Company in respect of the Disposal exceed(s) 25% but is or are less than 75% pursuant to Rule 14.07 of the Listing Rules, the Disposal constitutes a major transaction of the Company under Rule 14.06(3) of the Listing Rules and is therefore subject to the reporting, announcement, circular and the Shareholders' approval requirements under Chapter 14 of the Listing Rules.

## **GENERAL**

The SGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Disposal and transactions contemplated thereunder. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the date of this announcement, as no Shareholder has a material interest in the Disposal and transactions contemplated thereunder, therefore no Shareholder will be required to abstain from voting at the SGM to approve the ordinary resolution(s) regarding the Disposal and transactions contemplated thereunder.

A circular containing, among other things, (i) details of the Disposal; (ii) the financial information of the Group; (iii) an independent property valuation report on the Property; (iv) a notice convening the SGM and related form of proxy; and (v) other information as required under the Listing Rules, is expected to be despatched to the Shareholders on or before 22 July 2024.

**The Shareholders and potential investors of the Company shall note that the Completion of the Disposal is subject to the Conditions Precedent, and may or may not materialise. The Shareholders and potential investors of the Company are therefore advised to exercise caution when dealing in the securities of the Company.**

## **THE PRELIMINARY SALE AND PURCHASE AGREEMENT**

On 28 June 2024 (after trading hours), the Vendor, an indirect wholly-owned subsidiary of the Company, entered into the Preliminary Sale and Purchase Agreement with the Purchaser, pursuant to which the Vendor agreed to sell, and the Purchaser agreed to purchase, the Property at a consideration of HK\$36,000,000, subject to fulfilment of the Conditions Precedent as stipulated in the Preliminary Sale and Purchase Agreement.

The principal terms and conditions of the Preliminary Sale and Purchase Agreement are set out below:

### **Date**

28 June 2024 (after trading hours)

### **Parties**

- (1) The Vendor;
- (2) The Purchaser; and
- (3) The Agent

## **Property to be disposed of**

The Property was acquired by the Vendor in 2009. As at the date of this announcement, the Vendor owns the Property which is located on the Ground Floor, No. 148 Johnston Road, Hong Kong and comprises a shop on the ground floor in a fifteen (15)-storey residential and commercial composite building completed in 1967.

The Property has a saleable area of approximately 516 sq. ft. (equivalent to approximately 47.94 sq. m.) plus a yard of approximately 62 sq. ft. (equivalent to approximately 5.76 sq. m.).

The Property has been leased for a term of five (5) years commencing on 1 May 2020 and expiring on 30 April 2025 at a monthly rent of HK\$110,000 for years one (1) to three (3) and HK\$120,000 for years four (4) and five (5) (exclusive of rates, government rent and management fee).

## **Consideration**

The Consideration of the Disposal is HK\$36,000,000, which has been or shall be paid by the Purchaser to the Vendor in the following manner:

- (i) HK\$1,800,000 has been paid upon signing of the Preliminary Sale and Purchase Agreement as initial deposit;
- (ii) HK\$1,800,000 shall be paid upon signing of the formal agreement for sale and purchase of the Property on or before 12 July 2024 as further deposit; and
- (iii) the balance in the sum of HK\$32,400,000 shall be paid in full on the Completion Date as balance of the Consideration.

Pursuant to the Preliminary Sale and Purchase Agreement, the Agent shall be entitled to receive a commission in the amount of HK\$360,000 (being one (1)% of the Consideration) from each of the Vendor and the Purchaser on the Completion Date.

The Consideration was arrived at after arm's length negotiation between the Vendor and the Purchaser and determined with reference to, among other things, the prevailing market conditions and the preliminary valuation of the Property made by a property valuer (an Independent Third Party) as at 27 June 2024 of HK\$36,000,000 in respect of the Property.

## **Stamp duty**

All ad valorem stamp duty shall be borne by the Purchaser.

## **Formal agreement**

A formal agreement for sale and purchase of the Property will be signed by the Vendor and the Purchaser on or before 12 July 2024.

## **Conditions Precedent**

The Completion is subject to the fulfilment of the following Conditions Precedent, including:

- (a) the duly passing of ordinary resolution(s) at the SGM by the Shareholders regarding the approval of the Disposal and transactions contemplated thereunder; and
- (b) all necessary consents and approvals from the Stock Exchange required to be obtained on the part of the Company and/or the Vendor in respect of the Disposal and transactions contemplated thereunder having been obtained and remaining in full force and effect.

## **Completion**

The Completion shall take place on the Completion Date, being 27 September 2024 or a date no later than 4 October 2024 as agreed among the parties from time to time.

Upon Completion, the Property is to be sold to the Purchaser on an “as is” basis.

## **INFORMATION OF THE VENDOR AND THE GROUP**

The Vendor, an indirect wholly-owned subsidiary of the Company, is a company incorporated in the BVI with limited liability. The principal business of the Vendor is property holding.

The Group is principally engaged in property development, property investment, investment in securities and others and loan financing businesses. The Group’s real estate activities focus on the industrial and non-residential sectors.

## **INFORMATION ON THE PURCHASER**

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, as at the date of this announcement, the Purchaser and its directors and ultimate beneficial owners, Cheung Sut Loi, Cheung Chan Shuk Yin, Amy and Cheung Ling Chau are Independent Third Parties.

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

Taking into consideration the prevailing property market conditions, the increasing competition and unstable future outlook in the property market in Hong Kong and the current financial, indebtedness and liquidity position of the Group, the Board is of the opinion that the Disposal represents a good opportunity for the Group to realise the value of the Property at a reasonable price and to reallocate the available funds of the Group for other investment opportunities when they arise. In addition, the proceeds from the Disposal will strengthen the financial position of the Group and increase the general working capital of the Group. The Disposal will allow the Group to realize its property investment and reallocate its financial resources to other business development.

The Directors consider that the Disposal is conducted in the ordinary course of the Group's property investment business and on normal commercial terms, and entering into the Preliminary Sale and Purchase Agreement is fair and reasonable, and in the interests of the Company and the Shareholders as a whole.

## **FINANCIAL IMPACT OF THE DISPOSAL AND USE OF PROCEEDS**

Based on the preliminary valuation of the Property prepared by a property valuer (an Independent Third Party) as at 27 June 2024, the value of the Property was HK\$36,000,000.

As at 31 March 2024, the book value of the Property was approximately HK\$51,000,000. The Group is expected to recognize a loss on the Disposal of approximately HK\$15,000,000 (being the difference between the Consideration over the book value, exclusive of expenses). The Group intends to use the net proceeds from the Disposal for the general working capital of the Group.

## **LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios (as defined under the Listing Rules) for the Company in respect of the Disposal exceed(s) 25% but is or are less than 75% pursuant to Rule 14.07 of the Listing Rules, the Disposal constitutes a major transaction of the Company under Rule 14.06(3) of the Listing Rules and is therefore subject to the reporting, announcement, circular and the Shareholders' approval requirements under Chapter 14 of the Listing Rules.

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A circular containing, among other things, (i) details of the Disposal; (ii) the financial information of the Group; (iii) an independent property valuation report on the Property; (iv) a notice convening the SGM and related form of proxy; and (v) other information as required under the Listing Rules, is expected to be despatched to the Shareholders on or before 22 July 2024.

**The Shareholders and potential investors of the Company shall note that the Completion of the Disposal is subject to the Conditions Precedent, and may or may not materialise. The Shareholders and potential investors of the Company are therefore advised to exercise caution when dealing in the securities of the Company.**

## DEFINITIONS

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

“Agent”	Centaline Property Agency Limited
“associates”	has the same meaning ascribed thereto under the Listing Rules
“Board”	the board of the Directors
“BVI”	the British Virgin Islands
“Company”	Eminence Enterprise Limited, an exempted company incorporated in Bermuda with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 616)
“Completion”	completion of the Disposal in accordance with the terms and conditions under the Preliminary Sale and Purchase Agreement
“Completion Date”	the date on which the Completion shall take place

“Condition(s) Precedent”	the condition(s) precedent to the Completion under the Preliminary Sale and Purchase Agreement
“connected person(s)”	has the same meaning ascribed thereto under the Listing Rules
“Consideration”	HK\$36,000,000, being the consideration for the Disposal pursuant to the Preliminary Sale and Purchase Agreement
“Director(s)”	the directors of the Company
“Disposal”	the disposal of the Property pursuant to the terms and conditions of the Preliminary Sale and Purchase Agreement
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	person(s) (and in the case of company(ies) and corporation(s), their ultimate beneficial owner(s)) who, to the best of the Directors’ knowledge, information and belief (as the case may be) having made all reasonable enquiries, is or are third party(ies) independent of and not connected with the Company (as the case may be) and its connected persons and is or are not acting in concert (as defined in the Takeovers Code) with any of the connected persons of the Company or any of their associates (as defined in the Listing Rules)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Main Board”	the main board maintained and operated by the Stock Exchange
“major transaction”	has the same meaning ascribed thereto under the Listing Rules
“PRC”	the People’s Republic of China
“Preliminary Sale and Purchase Agreement”	the preliminary sale and purchase agreement dated 28 June 2024 entered into among the Vendor, the Purchaser and the Agent in relation to the Disposal
“Property”	Ground Floor, No. 148 Johnston Road, Hong Kong which comprises a shop on the ground floor in a fifteen (15)-storey residential and commercial composite building with a saleable area of approximately 516 sq. ft. (equivalent to approximately 47.94 sq. m.) plus a yard of approximately 62 sq. ft. (equivalent to approximately 5.76 sq. m.)

“Purchaser”	CLC Land Limited, a company incorporated in Hong Kong with limited liability and an Independent Third Party
“SGM”	the special general meeting of the Company to be convened and held for the purpose of considering and, if thought fit, approving, the Disposal and transactions contemplated thereunder
“Share(s)”	ordinary share(s) of par value of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary”	has the same meaning ascribed thereto under the Listing Rules
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers
“Vendor”	Clever Wise Holdings Limited, a company incorporated in the BVI with limited liability, an indirect wholly-owned subsidiary of the Company
“HK\$”	Hong Kong dollars, lawful currency of Hong Kong
“sq. ft.”	square feet
“sq. m.”	square metre(s)
“%”	per cent.

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

Hong Kong, 28 June 2024

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

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