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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 securities in Eminence Enterprise Limited, you should at once hand this circular and the relevant accompanying form of proxy to the purchaser or the transferee or to the bank, 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.

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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

AND

NOTICE OF THE SGM

A letter from the Board is set out on pages 4 to 11 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 Tuesday, 13 August 2024 at 9:30 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 the Shareholders intend to attend and vote at the SGM, the Shareholders are requested to complete the enclosed 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 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as practicable but in any event not less than forty-eight (48) hours before the time appointed for holding the SGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude the Shareholders from attending and voting in person at the SGM or any adjournment thereof (as the case may be) should they so wish and in such event, the form of proxy shall be deemed to be revoked.

Hong Kong, 22 July 2024

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Accompanying Document – Form of Proxy

DEFINITIONS

In this circular, the following words and expressions have the meanings set out below unless the context requires otherwise:

“Agent”	Centaline Property Agency Limited
“Announcement”	the announcement of the Company dated 28 June 2024 in relation to the Disposal
“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
“connected person(s)”	has the same meaning ascribed thereto under the Listing Rules
“Consideration”	HK\$36,000,000, being the consideration for the Disposal
“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
“Formal Agreement”	the formal agreement for the sale and purchase (if any) to be entered into between the Vendor and the Purchaser in relation to the Disposal, the principal terms and conditions therein are expected to be in line with and have no material difference from the terms and conditions in the Preliminary Sale and Purchase Agreement
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

DEFINITIONS

“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)
“Latest Practicable Date”	Thursday, 18 July 2024, being the latest practicable date prior to the printing of this circular for ascertaining information for inclusion in this circular
“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, Wanchai, 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)

DEFINITIONS

“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
“Valuer”	Knight Frank Petty Limited, a property valuer and an Independent Third Party
“Vendor”	Clever Wise Holdings Limited, a company incorporated in the BVI with limited liability and 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.

LETTER FROM THE BOARD



EMINENCE ENTERPRISE LIMITED

高山企業有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 616)

Executive Directors:

Mr. Lai Law Kau

(Chairman and Chief Executive Officer)

Ms. Lui Yuk Chu *(Deputy Chairman)*

Mr. Kwong Jimmy Cheung Tim

Registered office:

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

Independent Non-executive Directors:

Mr. Kan Ka Hon

Mr. Lau Sin Ming

Mr. Wu Koon Yin Welly

*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

22 July 2024

To the Shareholders

Dear Sir or Madam,

MAJOR TRANSACTION

DISPOSAL OF PROPERTY

AND

NOTICE OF THE SGM

INTRODUCTION

Reference is made to the Announcement in relation to, among other things, the Disposal.

The purpose of this circular is to provide you with, among other things, (i) details of the Disposal and transactions contemplated thereunder; (ii) the financial information of the Group; (iii) an independent property valuation on the Property; (iv) a notice convening the SGM and related form of proxy; and (v) other information as required under the Listing Rules.

LETTER FROM THE BOARD

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 the Consideration, 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 Latest Practicable Date, the Vendor owns the Property which is located on the Ground Floor, No. 148 Johnston Road, Wanchai, 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). The net loss attributable to the Property for the year ended 31 March 2024 was approximately HK\$1,124,000 and the net profit attributable to the Property for the year ended 31 March 2023 was approximately HK\$4,037,000.

LETTER FROM THE BOARD

The Board has reviewed and assessed the qualifications, experience and track record of the Valuer. Based on information provided by the Valuer, Ms. Jennifer Ip, Senior Director, Valuation & Advisory of the Valuer and the signatory of the valuation report on the Property, who is also responsible for the valuation report on the Property, is a RICS Registered Valuer with over fifteen (15) years of valuation experiences on property in various regions including Hong Kong, Asia Pacific region and North America. Based on this information, the Directors are of the view that the Valuer is qualified and competent in performing the property valuation work of the Property. The Valuer has confirmed their independence from the Group.

The Board has reviewed the valuation report on the Property and considered the valuation methodology and key assumptions adopted by the Valuer. As disclosed in the valuation report on the Property as set out in appendix II to this circular, the Valuer has valued the Property based on the market direct comparison method assuming sale of the property interests in their existing state, subject to the existing tenancies and occupancy arrangement. Comparisons based on transactions on actual sales of comparable property have been made. Comparable properties with similar character, location, sizes and so on are analyzed and carefully weighed against all respective advantages and disadvantages of the Property in order to arrive at the fair comparison of values. As information about the relevant retail sale transactions is available in the open market, the Board has assessed these comparable properties of relevant retail sale transactions, use and similar location, and therefore the Directors are of the view that the comparable retail sale transactions adopted by the Valuer is comparable to the Property and the direct comparison method adopted by the Valuer is fair and reasonable. As the key assumptions adopted by the Valuer in the valuation of the Property are general assumptions commonly adopted in assets valuation and are common for transactions of similar nature, the Directors consider the key assumptions adopted by the Valuer to be fair and reasonable.

As disclosed in the valuation report on the Property as set out in appendix II to this circular, the Property has an existing mortgage in favour of The Bank of East Asia, Limited. The Group will repay loan amount and will redeem charge of the Property through the net proceeds from the Disposal and thus such mortgage will be released upon Completion.

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 has been paid on 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.

LETTER FROM THE BOARD

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 valuation report on the Property prepared by the Valuer (an Independent Third Party) as at 27 June 2024 of HK\$36,000,000 in respect of the Property. The text of the letter, a summary of valuation and the valuation report on the Property are set out in appendix II to this circular.

Stamp duty

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

Formal Agreement

As at the Latest Practicable Date, the Vendor and the Purchaser are negotiating about the Formal Agreement in respect of the Disposal which is expected to incorporate the principal terms and conditions of the Provisional Sale and Purchase Agreement. If the Vendor and the Purchaser do not reach an agreement on the terms and conditions of the Formal Agreement, the Provisional Sale and Purchase Agreement remains valid and in full force and effect.

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.

As at the Latest Practicable Date, none of the above Conditions Precedent has been fulfilled.

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.

LETTER FROM THE BOARD

INFORMATION ON THE PURCHASER

The Purchaser is a company incorporated in Hong Kong with limited liability. The principal business of the Purchaser is property investment. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the Latest Practicable Date, 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

The Directors consider that there are challenges and uncertainties on the property market in Hong Kong due to the economic slowdown and high interest rate, and the property market has not recovered as expected considering that the current economic condition is still weak. Hence, the Board is not optimistic about the property market in the foreseeable future and thus considers disposing of certain of its properties to reduce its indebtedness. The Board believes that the Disposal will help ease the liability and interest burden of the Group, and subsequently improve the liquidity of the Group.

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, with reference to the market value of the Property of HK\$36,000,000 as at 27 June 2024 as prepared by the Valuer, that the Disposal represents a good opportunity for the Group to realise the value of the Property at its prevailing market value 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 valuation report on the Property prepared by the Valuer (an Independent Third Party) as at 27 June 2024, the value of the Property was HK\$36,000,000.

LETTER FROM THE BOARD

Earnings

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). Upon Completion, based on the estimation of the Board, the monthly rental income is expected to be decreased by HK\$120,000. The Group intends to use the gross proceeds from the Disposal (before deducting expenses) of HK\$36,000,000 for the general working capital of the Group, of which approximately HK\$12,400,000 for loan repayment of the Property; approximately HK\$600,000 for agent's commission and other related costs for the Disposal; approximately HK\$13,000,000 for repayment of loan and interest for other properties; and approximately HK\$10,000,000 for general administrative costs of the Group.

Assets and Liabilities

As at 31 March 2024, the audited net asset value of the Group was approximately HK\$3,047,196,000. Upon Completion, based on the estimation of the Board, (i) the assets value will be decreased by approximately HK\$27,350,000; and (ii) the liabilities will be decreased by approximately HK\$12,350,000.

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.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the Latest Practicable Date, as no Shareholder has a material interest in the Disposal and transactions contemplated thereunder, therefore no Shareholder will be required to abstain from voting to approve the ordinary resolution(s) regarding the Disposal and transactions contemplated thereunder at the SGM.

WARNING

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 SGM

The SGM will be convened and held to consider and, if thought fit, approve the Disposal and transactions contemplated thereunder by the Shareholders by way of poll.

LETTER FROM THE BOARD

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 Tuesday, 13 August 2024 at 9:30 a.m. is set out on pages N-1 to N-2 of this circular. A form of proxy for the SGM is enclosed with this circular. Whether or not the Shareholders are able to attend and vote at the SGM, they are requested to read the notice and to complete and sign 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 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event not less than forty-eight (48) hours before the time appointed for holding the SGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude the Shareholders from attending and voting in person at the SGM or any adjournment thereof (as the case may be) should they so wish and, in such event, the form of proxy shall be deemed to be revoked.

The ordinary resolution(s) put to the SGM will be voted on by way of poll.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the Shareholders' eligibility to attend and vote at the SGM, the register of members of the Company will be closed from Thursday, 8 August 2024 to Tuesday, 13 August 2024, both dates inclusive. During such period, no Share transfers will be registered. In order to qualify to attend and vote at the SGM, all transfers of the Shares accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Secretaries Limited, at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong no later than 4:30 p.m. on Wednesday, 7 August 2024.

RECOMMENDATION

The Board considers that the terms and conditions of the Preliminary Sale and Purchase Agreement are on normal commercial terms, and are fair and reasonable, and the Disposal and transactions contemplated thereunder are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of the ordinary resolution(s) to approve the Disposal and transactions contemplated thereunder to be proposed at the SGM.

RESPONSIBILITY STATEMENT

The 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.

LETTER FROM THE BOARD

ADDITIONAL INFORMATION

Your attention is drawn to the notice of the SGM and other additional information as set out in the appendices to this circular.

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

1. FINANCIAL SUMMARY OF THE GROUP

Further information about the Group is disclosed in the last three (3) published annual reports and the most recent interim report, copies of which can be located at the hyperlinks below:

For the six (6) months ended	Hyperlink	Principal relevant pages
30 September 2023	https://www1.hkexnews.hk/listedco/listconews/sehk/2023/1218/2023121800260.pdf	55-116
For the year ended	Hyperlink	Principal relevant pages
31 March 2023	https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0721/2023072100323.pdf	94-233
31 March 2022	https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0722/2022072200147.pdf	87-221
31 March 2021	https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0714/2021071400346.pdf	75-221

2. WORKING CAPITAL

The Directors are of the opinion that, after taking into account its available financial resources to the Group, including internal resources and the net proceeds to be received from the Disposal, the Group has sufficient working capital for its requirements for the next twelve (12) months from the date of this circular. The Company has obtained the relevant confirmation as required under Rule 14.66(12) of the Listing Rules.

3. INDEBTEDNESS

As at the close of business of 31 May 2024, being the latest practicable date for the purpose of determining the indebtedness of the Group prior to the printing of this circular, the Group had outstanding bank borrowings of approximately HK\$2,114,766,000, which were secured by charges over investment properties, properties held for development for sale and properties held for sale of the Group with carrying amounts of approximately HK\$1,211,443,000, HK\$2,545,184,000 and HK\$1,065,891,000 respectively at 31 May 2024 and all bank borrowings were guaranteed by the Company.

Save as disclosed above and for intra-group liabilities, the Group did not have any debt securities authorized or created but 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 as at the close of business on 31 May 2024.

4. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

The Group will continue focusing its efforts on the development of its existing principal businesses, including property development, property investment, investment in securities and others and loan financing business while exploring other potential projects with a view to providing steady and favourable returns to the Shareholders and bringing increased values to the Group's stakeholders.

Despite the increasing uncertainties and volatilities on global economic landscape brought by high inflation and interest rates and geopolitical tensions which hinder the post-pandemic normalcy and recovery of Hong Kong, the Group continuously and closely monitors the current situation and remains prudently optimistic about the prospects of the property and securities markets in Hong Kong and the Group will stay abreast of the latest market movements, adopts flexible and cautious business strategies and continues to grow over the longer term of the Hong Kong markets.

In line with its investment strategy and policy, the Company will continue to identify appropriate investment and divestment opportunities during this challenging period that fit the objective and investment criteria of the Company, and will continue to seek quality opportunities to replenish its property portfolio as an ongoing business exercise. The Board would exercise utmost caution so as to bring long-term benefits to the operating and financial results of the Company in the foreseeable future.

5. MATERIAL ADVERSE CHANGE

The Directors confirm that, taking into account the latest annual results announcement of the Company for the year ended 31 March 2024 as published on 27 June 2024, as at the Latest Practicable Date, there has been no material adverse change in the financial or trading position or outlook of the Group since 31 March 2023, the date to which the latest published audited financial statements of the Company were made up, up to and including the Latest Practicable Date.

The following is the text of a valuation report prepared for the purpose of incorporation in this circular received from Knight Frank Petty Limited, an independent valuer, in connection with the valuation of the Property to be disposed by the Group as at 27 June 2024.



Knight Frank Petty Limited
4/F, Shui On Centre
6-8 Harbour Road
Wanchai, Hong Kong

22 July 2024

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

Dear Sirs

VALUATION OF GROUND FLOOR, NO 148 JOHNSTON ROAD, HONG KONG (THE “PROPERTY”)

Instructions

In accordance with the instructions to us from Eminence Enterprise Limited (hereinafter referred to as the “**Company**”, together with its subsidiaries, hereinafter together referred to as the “**Group**”), to value the Property, we confirm that we have made relevant enquiries and carried out searches and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market value of the Property in its existing state as at 27 June 2024 (the “**Valuation Date**”) for public disclosure purposes.

We confirm that we do not have any material connection or involvement giving rise to a conflict of interest and are providing an objective and unbiased valuation. Our valuation is based on 100% of the leasehold interest of the Property.

Basis of Valuation

In arriving at our opinion of the market value, we followed the current edition of “The HKIS Valuation Standards” issued by The Hong Kong Institute of Surveyors (“**HKIS**”) and “The RICS Valuation – Global Standards” issued by the Royal Institution of Chartered Surveyors (“**RICS**”), which incorporate the International Valuation Standards (the “**IVS**”). Under the said standards, Market Value is defined as: -

“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.”

Market Value is also understood as the estimated exchange price of an asset without regard to the seller’s costs of sale or the buyer’s costs of purchase and without adjustment for any taxes payable by either party as a direct result of the transaction.

Market Value is the most probable price reasonably obtainable in the market on the valuation date in keeping with the market value definition. It is the best price reasonably obtainable by the seller and the most advantageous price reasonably obtainable by the buyer. This estimate specifically excludes an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangements, special considerations or concessions granted by anyone associated with the sale, or any element of value available only to a specific owner or purchaser.

Our valuation complies with the requirements set out in the current edition of “The HKIS Valuation Standards” issued by HKIS and “RICS Valuation – Global Standards” issued by RICS and Chapter 5 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

Valuation Methodology

Our valuation has been undertaken using appropriate valuation methodology and our professional judgement. In arriving at the market value of the Property, we have considered the Market Approach as relevant sale transactions are available in the open market. We have adopted the Market Approach on the basis of a collation and analysis of appropriate comparable transactions. To ensure fairness and reasonability of our valuation, we have made appropriate adjustments to reflect the differences between the Property and the selected comparable properties. The considered adjustments include transaction date, building age, location, frontage, size and other material factors.

Our valuation is prepared on the basis that the Property was available for sale in the market in its existing state, subject to existing tenancy and occupational arrangement. We have also assumed that its title being free of all material encumbrances and defects as at the Valuation Date.

Expertise

The valuer, on behalf of Knight Frank Petty Limited, with the responsibility for this report is Ms. Jennifer Ip MRICS RICS Registered Valuer who has over 15 years of valuation experiences. We confirm that the valuer meets the requirements of HKIS Valuation Standards and the RICS Valuation – Global Standards, having sufficient current knowledge of the particular market and the skills and understanding to undertake the valuation competently. Our valuation is prepared in an unbiased and professional manner.

Valuation Assumptions and Conditions

Our valuation is subject to the following assumptions and conditions: -

Title Documents and Encumbrances

We have conducted relevant land search from the Land Registry. We have not, however, examined the original documents to verify ownership or to ascertain the existence of any amendment which does not appear on the copies handed to us. In our valuation, we have assumed a good and marketable title and that all documentation is satisfactorily drawn. We have also assumed that the Property is not subject to any unusual or onerous covenants, restrictions, encumbrances or outgoing. These assumptions are considered valid by the Company.

Disposal Costs and Liabilities

No allowance has been made in our report for any charges, mortgages or amounts owing on the Property nor for any expenses or taxation which may be incurred in effecting a sale.

Sources of Information

We have relied to a very considerable extent on information given by the Group and have accepted advice given to us such as occupancy, tenancy agreement and all other relevant matters. We have not verified the correctness of any information, whether in writing or verbally by yourselves, your representatives or by your legal or professional advisers or by any (or any apparent) occupier of the Property or contained on the register of title. We assume that this information is complete and correct. We have had no reason to doubt the truth and accuracy of the information provided to us by the Group which is material to the valuations. We were also advised by the Group that no material facts have been omitted from the information provided.

Inspection

We have carried out internal and external inspection of the Property on 4 July 2024. Inspection of the Property was undertaken by Ms. Andria Yau MHKIS, who has about three years of experience in valuing properties in Hong Kong. We have assumed in our valuation that the Property was in reasonable exterior and interior decorative order without any unauthorised extension or structural alterations as at the Valuation Date, unless otherwise stated.

Identity of the Property to be Valued

We have exercised reasonable care and skill to ensure that the Property, identified by the property address in your instructions, is the property inspected by us and contained within our valuation report. If there is ambiguity as to the property address, or the extent of the property to be valued, this should be drawn to our attention in your instructions or immediately upon receipt of our report.

Property Insurance

We have valued the Property on the assumption that, in all respects, it is insurable against all usual risks including terrorism, flooding and rising water table at normal, commercially acceptable premiums.

Areas and Age

We have not carried out on-site measurements to verify the correctness of the floor areas of the Property but have assumed that the floor areas shown on the documents and plans available to us are correct. Dimensions, measurements and areas included in the property valuation report are based on information provided to us and are, therefore, only approximations.

Structural and Services Condition

We have carried out visual inspection only without any structural investigation or building survey. During our limited inspection, we did not inspect any inaccessible areas. We are unable to confirm whether the Property is free from urgent or significant defects or items of disrepair or any deleterious materials have been used in the construction of the Property. Our valuation has therefore been undertaken on the basis that the Property is in satisfactory repair and condition, contains no deleterious materials and it is in sound order and free from structural faults, rot, infestation or other defects, and that the services are in a satisfactory condition.

Ground Condition

We have assumed there to be no unidentified adverse ground or soil conditions and that the load bearing qualities of the site of the Property is sufficient to support the building constructed or to be constructed thereon; and that the services are suitable for any existing or future development. Our valuation is therefore prepared on the basis that no extraordinary expenses or delays will be incurred in this respect.

Environmental Issues

We are not environmental specialists and therefore we have not carried out any scientific investigations of sites or buildings to establish the existence or otherwise of any environmental contamination, nor have we undertaken searches of public archives to seek evidence of past activities that might identify potential for contamination. In the absence of appropriate investigations and where there is no apparent reason to suspect potential for contamination, our valuation is prepared on the assumption that the Property is unaffected. Where contamination is suspected or confirmed, but adequate investigation has not been carried out and made available to us, then the valuation will be qualified.

Tenancies

We are provided with the tenancy agreement and have assumed the information is true and correct. We have also assumed that the tenants will continue to occupy the premises and comply with the conditions of the tenancies until the expiry of the existing tenancy terms.

Compliance with Relevant Ordinances and Regulations

We have assumed the Property was or will be constructed, occupied, and used in full compliance with, and without contravention of any ordinance, statutory requirement and notices except only where otherwise stated. We have further assumed that, for any use of the Property upon which this report is based, any and all required licenses, permits, certificates, consents, approvals, and authorisation have been or will be obtained, except only where otherwise stated.

Remarks

In accordance with our standard practice, we must state that this report and valuation is for the use of the party to whom it is addressed, and no responsibility is accepted to any third party for the whole or any part of its contents. We do not accept liability to any third party or for any direct or indirect consequential losses or loss of profits as a result of this report.

We have prepared the valuation based on information and data available to us as at the Valuation Date. While the current market is influenced by various policies and regulations, increased global conflicts could add further fluctuations in real estate market. It must be recognised that enactment of emergency measures, changes in mortgage requirements or international tensions could be immediate and have sweeping impact on the real estate market apart from typical market variations. It should therefore be noted that any market violation, policy, geopolitical and social changes or other unexpected incidents after the Valuation Date may affect the value of the Property.

Currency

Unless otherwise stated, all money amounts stated in this report are in Hong Kong Dollars (HK\$).

Area Conversion

The area conversion factors in this report are taken as follows:

1 square metre (sq. m.) = 10.764 square feet (sq. ft.)

We enclose herewith our valuation report.

Yours faithfully

For and on behalf of

Knight Frank Petty Limited

Jennifer Ip

MRICS RICS Registered Valuer
Senior Director, Valuation & Advisory

Cyrus Fong

FRICS FHKIS RPS(GP) RICS Registered Valuer
Executive Director, Head of Valuation & Advisory,
Greater China

Note: Ms. Jennifer Ip is a qualified valuer who has over 15 years of extensive experiences in valuation of properties including development sites, residential, commercial, industrial properties in Hong Kong, Asia Pacific region and North America.

Mr. Cyrus Fong is a qualified valuer who has over 15 years of extensive experiences in valuation of properties including development sites, residential, commercial, industrial properties in Hong Kong, Asia Pacific region for various valuation purposes.

INVESTMENT PROPERTY TO BE DISPOSED BY THE GROUP

VALUATION

Property Interest	Description and tenure	Particulars of occupancy	Market value in existing state as at 27 June 2024
Ground Floor, No 148 Johnston Road, Wanchai, Hong Kong (the “Property”) 1/31 shares of and in Sub-Section 1 of Section A of Marine Lot No 118 and The Remaining Portion of Section A of Marine Lot No 118	<p>No 148 Johnston Road (the “Development”) is a 15-storey residential and commercial composite building which was completed in 1967, as per Occupation Permit No H264/67.</p> <p>The Development is situated on the southeastern side of Johnston Road near its junction with Triangle Street in Wanchai of Hong Kong.</p> <p>The Property comprises a shop unit on the Ground Floor, together with a yard. The total saleable area of the Property is approximately 516 sq. ft. (47.94 sq. m.) and the measured area of the yard is approximately 62 sq. ft. (5.76 sq. m.).</p> <p>The Property is held under Government Lease for a term of 999 years commencing from 15 May 1855. The annual Government rent payable for the subject section is HK\$18.32.</p>	<p>As per the tenancy agreement provided by the Group, the Property was tenanted for a term of 5 years commencing on 1 May 2020 at a total monthly rent of HK\$110,000 for years one to three and HK\$120,000 for years four and five, exclusive of rates, government rent and management fee.</p>	<p>HK\$36,000,000 (Hong Kong Dollars Thirty Six Million)</p>

Notes:

- (1) Pursuant to the land register record obtained from the Land Registry, the registered owner of the Property was Clever Wise Holdings Limited as at the Valuation Date.
- (2) The Property is subject to the following encumbrances:
 - (i) Deed of Grant of Mutual Rights and Covenants with Plan in favour of Kiu Nam Investment Corporation Ltd vide memorial no UB657002 dated 11 December 1968;
 - (ii) Legal Charge/Mortgage in favour of The Bank of East Asia, Limited vide memorial no 20020301400041 dated 14 January 2020;
 - (iii) Assignment of Rental in favour of The Bank of East Asia, Limited vide memorial no 20020301400057 dated 14 January 2020;
 - (iv) Tenancy Agreement in favour of Chin Fai Gold & Jewellery (Wan Chai) Company Limited vide memorial no 20050601240018 dated 16 April 2020; and
 - (v) Notice No “UMB/5OD101/1501-177/0001” under S. 30B(3) of The Buildings Ordinance with a Letter issued by The Building Authority dated 15 January 2024 by The Building Authority (re common part(s) only) vide memorial no 24032000490089 dated 29 September 2016.
- (3) The Property is situated within an area zoned for “Residential (Group A)” uses on the Approved Wan Chai Outline Zoning Plan No S/H5/31. This zone is intended primarily for high-density residential developments. Commercial uses are always permitted on the lowest three floors of a building or in the purpose-designed non-residential portion of an existing building.

- (4) As per the relevant Government Lease, the use of the Property is virtually unrestricted except for the offensive trade clause.
- (5) The Property is situated on the southeastern side of Johnston Road near its junction with Triangle Street in Wanchai. The MTR – Wan Chai Station is about a 2-minute walk from the Property. The immediate locality is mainly dominated by residential blocks of various ages with retail shops on the ground floor.
- (6) In the course of our valuation of the Property, we have considered and analysed the sales of retail properties in the vicinity. These comparable transactions are primarily selected based on the following criteria: (i) the comparables are recent transactions (within 24 months of the Valuation Date); (ii) the comparables are located in the immediate locality of the Property; and (iii) the comparables are ground floor shops with street frontage for retail use. Based on the above selection criteria, the five selected comparables are considered exhaustive and relevant to the Property in terms of property type, location, timing of transaction and other property characteristics.
- (7) Details of the comparables and the applied adjustments are as follows:-

	Property 1	Property 2	Property 3	Property 4	Property 5
Development	Kin Lee Building	Sun Hey Mansion	Thomson Commercial Building	4 Fenwick Street	Wai Lun Building
Unit	Unit 2 on G/F	Unit A on G/F	Unit E on G/F	G/F	G/F
Address	130-146 Jaffe Road	68-76 Hennessy Road	9 Thomson Road	4 Fenwick Street	84A Hennessy Road
Use	Shop	Shop	Shop	Shop	Shop
Saleable area (<i>sq. ft.</i>)	543	912	311	374	297
Year of completion	1979	1965	1981	1970	1967
Transaction date	Aug-22	Oct-22	Jun-23	Jul-23	Jun-24
Consideration (<i>HK\$</i>)	\$26,500,000	\$43,880,000	\$16,380,000	\$28,000,000	\$19,000,000
Saleable area unit rate (<i>HK\$/sq. ft.</i>)	\$48,803	\$48,114	\$52,669	\$74,866	\$63,973
Factor			Adjustment		
Time			-14% to 0%		
Building age			-1% to 0%		
Location			10% to 25%		
Frontage			-3% to 1%		
Size			-1% to 1%		
Layout			10% to 20%		

	Property 1	Property 2	Property 3	Property 4	Property 5
Adjusted saleable area unit rate (HK\$ sq. ft.)	\$60,906	\$54,177	\$64,098	\$89,240	\$80,606
Adjusted average saleable area unit rate (HK\$ sq. ft.)			\$69,800		

- (8) The unit rates of the adopted comparable transactions range from about HK\$48,114 to HK\$74,866 per square foot on saleable area basis. In our valuation, adjustments in terms of transaction date, building age, location, frontage, size and layout have been considered to reflect the differences between the comparable transactions and the Property.
- (9) In applying adjustments to the comparables, if a comparable is superior to the Property in terms of the abovementioned attributes, a downward adjustment would be made to adjust down the unit rate of the comparables, and vice versa. Having considered the above adjustments to the comparables, the adjusted unit rates range from about HK\$54,177 to HK\$89,240 per square foot on saleable area basis, representing an adjusted average unit rate of approximately HK\$69,800 per square foot on saleable area basis.

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) Interests of the Directors and chief executive of the Company

As at the Latest Practicable Date, none of the Directors or chief executive of the Company (the “**Chief Executive**”) had any interests or short positions in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)) (the “**SFO**”), which were required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests which the Directors or the Chief Executive were taken or deemed to have taken or deemed to have taken under such provisions of the SFO), or (ii) to be entered in the register kept by the Company under Section 352 of the SFO, or (iii) to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules.

(b) Interests of substantial Shareholders

As at the Latest Practicable Date, the persons (other than the Directors or the Chief Executive) who had an interest in the Shares and 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 which were recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Name of substantial Shareholder	Notes	Capacity	Number of Shares held	Number of underlying Shares	Total	Approximate percentage of the total issued Shares
Goodco Development Limited (“ Goodco ”)	(i), (iii) and (iv)	Beneficial owner	14,055,799	1,161,111,111	1,175,166,910	347.53%

Name of substantial Shareholder	Notes	Capacity	Number of Shares held	Number of underlying Shares	Total	Approximate percentage of the total issued Shares
Easyknit Properties Holdings Limited	(i), (iii) and (iv)	Interest of controlled corporation	14,055,799	1,161,111,111	1,175,166,910	347.53%
Easyknit International Holdings Limited (“Easyknit”)	(i), (iii) and (iv)	Interest of controlled corporation	26,753,937	1,161,111,111	1,187,865,048	351.28%
		Beneficial owner	675,000	–	675,000	0.20%
			27,428,937	1,161,111,111	1,188,540,048	351.48%
Magical Profits Limited	(ii), (iii) and (iv)	Interest of controlled corporation	27,428,937	1,161,111,111	1,188,540,048	351.48%
Accumulate More Profits Limited	(ii) and (iv)	Interest of controlled corporation	27,428,937	1,161,111,111	1,188,540,048	351.48%
The Winterbotham Trust Company Limited	(ii) and (iv)	Interest of controlled corporation	27,428,937	1,161,111,111	1,188,540,048	351.48%
Winterbotham Holdings Limited	(ii) and (iv)	Interest of controlled corporation	27,428,937	1,161,111,111	1,188,540,048	351.48%
Christopher Geoffrey Douglas Hooper	(ii) and (iv)	Interest of controlled corporation	27,428,937	1,161,111,111	1,188,540,048	351.48%
Markson International Holding Limited	(ii) and (iv)	Interest of controlled corporation	27,428,937	1,161,111,111	1,188,540,048	351.48%
Ivan Geoffrey Douglas Hooper	(ii) and (iv)	Interest of controlled corporation	27,428,937	1,161,111,111	1,188,540,048	351.48%
Cheng Tun Nei (“Mr. Cheng”)	(v)	Interest of controlled corporation	5,000,000	–	5,000,000	4.84%
		Beneficial owner	5,000,000	–	5,000,000	4.84%
			10,000,000	–	1,000,000	9.69%
Chu Nin Yiu, Stephen		Beneficial owner	33,330,000	–	33,330,000	9.86%

Name of substantial Shareholder	Capacity	Number of Shares held	Number of underlying Shares	Total	Approximate percentage of the total issued Shares
Chan Lo Chiu Angus	Beneficial owner	29,330,000	–	29,330,000	8.67%
Or Victor	Beneficial owner	33,330,000	–	33,330,000	9.85%
Chang Ping Kwan	Beneficial owner	31,500,000	–	31,500,000	9.31%
Ng Wang Chun Joseph	Beneficial owner	31,555,000	–	31,555,000	9.33%

Notes:

- (i) In the 26,753,937 Shares, 12,113,454 Shares, 584,684 Shares and 14,055,799 Shares were registered in the name of and beneficially owned by Ace Winner Investment Limited, Landmark Profits Limited and Goodco (which was wholly-owned by Easyknit Properties Holdings Limited) respectively, all of which were wholly-owned subsidiaries of Easyknit (Stock Code: 1218). 675,000 Shares were also beneficially owned by Easyknit.
- (ii) According to Form 2 filed on 12 April 2023 by Magical Profits Limited, on 4 April 2023, Magical Profits Limited, which was interested in approximately 41.25% of the issued share capital of Easyknit (including 1,343,000 Easyknit shares held by the Group), was wholly-owned by Accumulate More Profits Limited which in turn was wholly-owned by The Winterbotham Trust Company Limited as trustee of The Magical 2000 Trust. The Winterbotham Trust Company Limited was owned as to 60% by Winterbotham Holdings Limited, which in turn was owned as to approximately 99.99% by Mr. Christopher Geoffrey Douglas Hooper, and 40% by Markson International Holding Limited, which in turn was owned as to approximately 99.99% by Mr. Ivan Geoffrey Douglas Hooper, respectively. As at the Latest Practicable Date, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Magical Profits Limited, which was interested in approximately 41.77% of the issued share capital of Easyknit (including 1,726,000 Easyknit shares held by the Group, representing approximately 2.33% of the issued share capital of Easyknit).
- (iii) Ms. Lui Yuk Chu, a Director, was also a director of Goodco, Easyknit Properties Holdings Limited, Easyknit and Magical Profits Limited and a substantial shareholder of Easyknit.
- (iv) According to two (2) Form 2s both filed on 19 April 2024 by Easyknit, (a) upon completion of placing under specific mandate of the Company on 17 April 2024, the total number of issued Shares has increased from 103,148,116 to 338,148,116; and the conversion price of the five (5)% per annum coupon rate five (5)-year convertible note in a principal amount of HK\$209,000,000 issued by the Company (as issuer) to Goodco (as noteholder) (the "2023 CN") has been adjusted from HK\$3.70 to HK\$3.49 per conversion Share and the number of unissued conversion Shares has increased from 56,486,486 to 59,885,386. Easyknit's interest in the Shares and underlying Shares has reduced from 81.35% to 25.82%; and (b) upon completion of proposed alterations of terms of the 2023 CN on 17 April 2024, the conversion price of the 2023 CN has been revised from HK\$3.49 to HK\$0.18 per conversion Share and the number of unissued conversion Shares has increased from 59,885,386 to 1,161,111,111. Easyknit's interest in the Shares and underlying Shares has increased from 25.82% to 351.48%.
- (v) According to Form 1 filed on 20 October 2023 by Mr. Cheng, on 18 October 2023, in the 10,000,000 Shares, 5,000,000 Shares were beneficially owned by Mr. Cheng, and 5,000,000 Shares were held by JFT Holdings Limited, an indirect wholly-owned subsidiary of Symphony Holdings Limited (Stock Code: 1223), which was owned as to 36.96% by Goldsilk Capital Limited (which in turn is wholly-owned by Mr. Cheng) and 5.62% by Mr. Cheng respectively.

Apart from Ms. Lui Yuk Chu, no Director was also a director or an employee of any substantial Shareholders.

Save as disclosed above, as at the Latest Practicable Date, the Company had not been notified by any persons (other than the Directors or the Chief Executive) who had interests in the Shares and 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 which were required to be recorded in the register kept by the Company under Section 336 of the SFO.

3. LITIGATION

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

4. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contracts with any member of the Group other than contracts expiring or determinable by the relevant member of the Group within one (1) year without payment of compensation (other than statutory compensation).

5. DIRECTORS' INTEREST IN COMPETING BUSINESS

Name of Director	Name of company	Nature of competing business	Nature of interest
Lui Yuk Chu	Easyknit	Property development, property investment, investment in securities and others and loan financing	Director and substantial shareholder of Easyknit

Save as disclosed in this circular, as at the Latest Practicable Date, none of the Directors or their respective close 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.

6. DIRECTORS' INTEREST IN CONTRACTS AND ASSETS

As at the Latest Practicable Date, save as disclosed in this circular, none of the Directors was interested in any contract of arrangement entered into by any member of the Group which was subsisting at the Latest Practicable Date and which was significant in relation to the business of the Group.

As at the Latest Practicable Date, save as disclosed in this circular, none of the Directors had any direct or indirect interest in any assets which had been acquired, disposed of or leased to or which were proposed to be acquired, disposed of by, or leased to any member of the Group since 31 March 2023, being the date to which the latest published audited consolidated financial statements of the Group were made up.

7. MATERIAL CONTRACTS

The following material contracts (not being contracts entered into in the ordinary course of business carried on or intended to be carried on by the Group) had been entered into by the Group within the two (2) years immediately preceding and including the Latest Practicable Date:

- (a) the conditional placing agreement dated 27 July 2022 entered into between Kingston Securities Limited (“**Kingston**”) (as placing agent) and the Company (as issuer) in relation to the placing, on a best effort basis, of up to 607,400,000 new Shares at the placing price of HK\$0.068 per placing Share under specific mandate for net proceeds of approximately HK\$40,800,000;
- (b) the land resumption agreement dated 5 October 2022 entered into between the People’s Government of Zhili Town, Wuxing District, Huzhou City, Zhejiang Province, the PRC (the “**Huzhou Government**”) and Easyknit Enterprises (Huzhou) Co., Ltd. (“**Enterprises Huzhou**”, an indirect wholly-owned subsidiary of the Company) in relation to the resumption of properties situated at Huzhou City, Zhejiang Province of the PRC which are owned by Enterprises Huzhou at a compensation amount of RMB386,982,000 (equivalent to approximately HK\$441,159,000) payable by the Huzhou Government to Enterprises Huzhou;
- (c) the agreement dated 4 November 2022 (the “**Option to Purchase 1**”) entered into between Grow Well Profits Limited (“**Grow Well Profits**”) (as vendor), an indirect wholly-owned subsidiary of the Company, and Claire Huang and Eva Huang (as purchasers), two (2) independent third parties in relation to the grant and exercise of the option to purchase the property located at 15 Ardmore Park #06-04, Ardmore Park, Singapore 259959 at the sale price of S\$12,500,000 (equivalent to approximately HK\$68,750,000) pursuant to the terms and conditions of the Option to Purchase 1;
- (d) the conditional sale and purchase agreement dated 30 November 2022 between Easyknit Properties Holdings Limited (“**Easyknit Properties**”) (as seller), a wholly-owned subsidiary of Easyknit, and the Company (as purchaser) for the sale and purchase of the entire issued share capital and the assignment of loan of On Channel International Limited at the aggregate purchase price of HK\$44,000,000;
- (e) the conditional sale and purchase agreement dated 30 November 2022 between Easyknit Properties (as seller), a wholly-owned subsidiary of Easyknit, and the Company (as purchaser) for the sale and purchase of the entire issued share capital and the assignment of loan of Day Glory Investment Limited at the aggregate purchase price of HK\$24,800,000;
- (f) the conditional sale and purchase agreement dated 30 November 2022 between Easyknit Properties (as seller), a wholly-owned subsidiary of Easyknit, and the Company (as purchaser) for the sale and purchase of the entire issued share capital and the assignment of loan of Well Honest Investment Limited at the aggregate purchase price of HK\$24,200,000;

- (g) the conditional sale and purchase agreement dated 30 November 2022 between Easyknit Properties (as seller), a wholly-owned subsidiary of Easyknit, and the Company (as purchaser) for the sale and purchase of the entire issued share capital and the assignment of loan of Asia Million Investment Limited at the aggregate purchase price of HK\$247,000,000;
- (h) the agreement dated 14 April 2023 (the “**Option to Purchase 2**”) entered into between the Grow Well Profits (as vendor), and Yu Sung Jin (as purchaser), an independent third party in relation to the grant and exercise of the option to purchase the property located at 15 Ardmore Park #04-03, Ardmore Park, Singapore 259959 at the sale price of S\$13,008,888 (equivalent to approximately HK\$76,752,400) pursuant to the terms and conditions of the Option to Purchase 2;
- (i) the conditional placing agreement dated 29 May 2023 entered into between Kingston (as placing agent) and the Company (as issuer) in relation to the placing, on a best effort basis, of up to 50,000,000 new Shares at the placing price of HK\$0.50 per placing Share under specific mandate for net proceeds of approximately HK\$24,700,000;
- (j) the conditional revolving loan agreement dated 29 August 2023 (the “**Revolving Loan Agreement**”) in relation to the revolving loan facility of an amount not exceeding HK\$80,000,000 to be provided by City China International Limited (“**City China**”) (an indirect wholly-owned subsidiary of the Company) (as lender) to Main Profit Investment Limited (“**Main Profit**”) (an indirect wholly-owned subsidiary of Easyknit) (as borrower) pursuant to the terms and conditions of the Revolving Loan Agreement;
- (k) the deed of guarantee dated 29 August 2023 executed by Easyknit in favour of City China (an indirect wholly-owned subsidiary of the Company) guaranteeing the obligations of Main Profit (an indirect wholly-owned subsidiary of Easyknit) under the Revolving Loan Agreement;
- (l) the conditional placing agreement dated 23 January 2024 entered into between Kingston (as placing agent) and the Company (as issuer) in relation to the placing, on a best effort basis, of up to 235,000,000 new Shares at the placing price of HK\$0.18 per placing Share under specific mandate for net proceeds of approximately HK\$42,300,000;
- (m) the deed of amendment dated 23 January 2024 entered into between the Company and Goodco in relation to the proposed alterations of certain terms of the 2023 CN;
- (n) the Deeds of Assignment; and
- (o) the Preliminary Sale and Purchase Agreement.

8. EXPERT AND CONSENT

The following is the qualification of the expert who has been named in this circular or has given its opinion or advice which is contained in this circular:

Name	Qualification
Knight Frank Petty Limited	Independent Professional Valuer

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

- (a) any direct or indirect interest in any assets which have been, since 31 March 2023 (being the date to which the latest published audited consolidated 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 expert has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and the reference to its name in the form and context in which its appears.

9. GENERAL

- (a) The company secretary of the Company is Mr. Lee Po Wing, a practising solicitor since 1994.
- (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 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong.
- (d) The English text of this circular and the enclosed form of proxy shall prevail over the Chinese text where there is any inconsistency.

10. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the respective websites of the Company (<http://www.eminence-enterprise.com>) and the Stock Exchange (www.hkexnews.hk) for a period of fourteen (14) days from the date of this circular:

- (a) the valuation report on the Property prepared by the Valuer as set out in appendix II to this circular;
- (b) the written consent referred to in the paragraph headed “EXPERT AND CONSENT” in this appendix; and
- (c) the Preliminary Sale and Purchase Agreement.

NOTICE OF THE SGM



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 “**SGM**”) of Eminence Enterprise Limited (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 Tuesday, 13 August 2024 at 9:30 a.m. (or at any adjournment thereof) for the purpose of considering and, if thought fit, passing the following resolution, which will be proposed, with or without amendment, as an ordinary resolution of the Company:

ORDINARY RESOLUTION

“**THAT:**

- (a) the preliminary sale and purchase agreement dated 28 June 2024 entered into among Clever Wise Holdings Limited (as vendor) (the “**Vendor**”) (an indirect wholly-owned subsidiary of the Company), CLC Land Limited (as purchaser) (the “**Purchaser**”) and Centaline Property Agency Limited (as agent) (the “**Preliminary Sale and Purchase Agreement**”) (a copy of which has been produced to the SGM and initialled by the chairman of the SGM for the purpose of identification) in respect of the sale and purchase of the property which is located on the Ground Floor, No. 148 Johnston Road, Wanchai, Hong Kong and comprises a shop on the ground floor in a fifteen (15)-storey residential and commercial composite building 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 “**Disposal**”) and transactions contemplated thereunder are hereby approved, confirmed and ratified; and
- (b) any one director of the Company (the “**Director**”) or an authorized officer (the “**Authorized Officer**”) be and is hereby authorized for and on behalf of Vendor and the Company and in their names to sign and execute or procure the signature(s) and execution of all such documents, instruments and agreements with common seal (if required), and do all such acts, matters and things as he or she may in his or her absolute discretion considers necessary, desirable or expedient for the purposes of or in connection with executing, implementing, completing and giving effect to the Disposal and transactions contemplated thereunder.”

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

Hong Kong, 22 July 2024

NOTICE OF THE SGM

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 proxy form for use at the SGM is enclosed herewith.
2. Any shareholder of the Company (“**Shareholder**”) entitled to attend and vote at the SGM convened by the above notice is entitled to appoint another person as his or her proxy to attend and vote instead of him or her. A Shareholder who is the holder of two or more shares of the Company (“**Share(s)**”) may appoint more than one proxy to represent him or her and on his or her behalf at the SGM. A proxy need not be a Shareholder. In addition, a proxy or proxies representing either a Shareholder who is an individual or a Shareholder which is a corporation shall be entitled to exercise the same power on behalf of the Shareholder which he or she or they represent(s) as such Shareholder could exercise.
3. Where there are joint registered holders of any Share, any one of such persons may vote at the SGM, either personally or by proxy, in respect of such Share as if he or she was solely entitled thereto; but if more than one of such joint holders be present at the SGM personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company (the “**Register of Members**”) in respect of such Share shall alone be entitled to vote in respect thereof.
4. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his or her attorney duly authorised in writing, or if the appointor is a corporation, either under seal or under the hand of an officer, attorney or other person duly authorised to sign the same. In the case of an instrument of proxy purporting to be signed on behalf of a corporation by an officer thereof, it shall be assumed, unless the contrary appears, that such officer was duly authorized to sign such instrument of proxy on behalf of the corporation without further evidence of the fact.
5. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the Company’s branch share registrar and transfer office in Hong Kong, Tricor Secretaries Limited, at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong not less than forty-eight (48) hours before the time for holding the SGM or any adjourned meeting thereof (as the case may be) at which the person named in the instrument proposes to vote and, in default, the instrument of proxy shall not be treated as valid.
6. For determining the entitlement to attend and vote at the SGM, the Register of Members will be closed from Thursday, 8 August 2024 to Tuesday, 13 August 2024 (both dates inclusive), during which period no transfer of the Shares will be effected. In order to qualify to attend and vote at the SGM, all transfers forms of the Shares accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar and transfer office in Hong Kong, Tricor Secretaries Limited, at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong no later than 4:30 p.m. on Wednesday, 7 August 2024, for registration.
7. Delivery of an instrument appointing a proxy shall not preclude a Shareholder from attending and voting in person at the SGM or any adjournment thereof (as the case may be) or on the poll concerned and, in such event, the instrument appointing a proxy shall be deemed to have been revoked.
8. The ordinary resolution(s) set out in this notice will be taken by poll at the SGM.

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

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