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英皇集團（國際）有限公司*
Emperor International Holdings Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 163)

DISCLOSEABLE TRANSACTION
DISPOSAL OF EMPEROR INVESTMENT INTERMEDIARY LIMITED

The Board refers to the Company's announcement dated 25 May 2011 in relation to the Provisional Agreement and wishes to announce that EISL and Central Source entered into a cancellation agreement on 25 July 2011 to cancel the Provisional Agreement in relation to the sale and purchase of the Property.

The Board also announces that on the same date, Good Force, an indirect wholly-owned subsidiary of the Company, as Vendor and the Company as the guarantor for the Vendor, and Central Source, as Purchaser and Mr. Pan Sutong as the guarantor for the Purchaser, entered into the Agreement in relation to the sale and purchase of the entire issued share capital of EIIL. Pursuant to the Agreement, the aggregate consideration thereof will be approximately HK\$374.5 million.

The Agreement constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

CANCELLATION OF THE PROVISIONAL AGREEMENT

Reference is made to the Company's announcement dated 25 May 2011 in relation to the sale and purchase of the Property. EISL and Central Source entered into negotiation to explore the possibility of Central Source purchasing EIIL instead of the Property subsequent to the entering into of the Provisional Agreement. The Directors consider that disposing the Property's holding company instead of the Property is in the interest of the Company as it will facilitate smoother handover of the ownership and management of the Property and lead to costs savings. After certain due diligence investigation and negotiation, the parties agreed to execute the Agreement. A cancellation agreement was also signed on 25 July 2011 by EISL and Central Source in connection therewith for the purpose of cancelling the Provisional Agreement.

The initial and further deposits in the sum of HK\$85.0 million paid under the Provisional Agreement had been refunded to Central Source which shall then apply the same for payment of the deposits under the Agreement. On the same date, Good Force, an indirect wholly-owned subsidiary of the Company, entered into the Agreement with Central Source in relation to the disposal of the entire issued share capital of EIIL with the following terms and conditions.

THE AGREEMENT DATED 25 JULY 2011

Parties

- Vendor : Good Force, an indirect wholly-owned subsidiary of the Company
- Purchaser : Central Source, an Independent Third Party and is principally engaged in finance and property development. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Central Source and its ultimate beneficial owners are Independent Third Parties.
- Guarantor for Vendor : The Company, which guarantees to the Purchaser the performance of the Vendor's obligations pursuant to the Agreement
- Guarantor for Purchaser : Mr. Pan Sutong, who guarantees to the Vendor the performance of the Purchaser's obligations pursuant to the Agreement.

Assets to be disposed of

The Sale Share, representing the entire issued share capital of EIIL.

Information of EIIL

EIIL is an investment holding company incorporated in the BVI with limited liability and has an authorised share capital of US\$50,000 divided into 50,000 shares of US\$1.00 each, with 1 share issued and beneficially owned by Good Force. As at the date of this announcement, other than being the holder of EISL, EIIL has no business operations.

EISL is a company incorporated in Hong Kong and has an authorized capital of HK\$10,000 and a paid up capital of HK\$2 issued to and owned by EIIL. As at the date of this announcement, EISL, other than being the holder of the Property, has no other major assets.

Save for the tangible assets disclosed in paragraph (a) under the section headed “Consideration and payment terms” below, EISL’s major asset is the Property. The Property is located at New Kowloon Inland Lot No. 5948, Emperor International Square, 7 Wang Tai Road, Kowloon Bay, Kowloon, Hong Kong. The Property, occupies a site area of approximately 33,584 square feet, is an 11-storey industrial building and has a gross floor area of approximately 311,700 square feet (excluding the car parking spaces).

Based on the audited consolidated financial statements of EIIL for the year ended 31 March 2011, the net asset value of EIIL was approximately HK\$322.9 million as at 31 March 2011, and a profit after tax of approximately HK\$145.4 million (or HK\$148.3 million before tax) and HK\$220.9 million (or HK\$224.3 million before tax) was respectively recorded for the year ended 31 March 2010 and for the year ended 31 March 2011.

Consideration and payment terms

The consideration of the Sale Share has been determined after arm’s length negotiations between the parties, which is equivalent to the consolidated net asset value of EIIL as at the Completion Date subject to the following adjustments:

- (a) the value of all the investment properties of EIIL (including the Property) taken to be HK\$850 million;
- (b) excluding the rental receivables in the sum of approximately HK\$0.9 million in respect of the expired rent free period(s) of the tenancies;
- (c) excluding any deferred tax liabilities in the sum of approximately HK\$9.3 million; and
- (d) adding a premium of approximately HK\$18.1 million.

Based on the proforma Completion Accounts of EIIL as at 25 July 2011, the aggregate value of the consideration for the Disposal will be approximately HK\$374.5 million. According to the Agreement, the consideration for the Disposal shall be payable in the following manner:

- (a) a deposit in the sum of HK\$85.0 million was paid by the Purchaser upon signing of the Agreement; and
- (b) the remaining balance of the Consideration shall be paid by the Purchaser at Completion.

Completion

Upon Completion, the Purchaser has also agreed to procure financing to EIIL and EISL to allow them to repay the shareholder loan in the total sum of approximately HK\$238.6 million and the mortgage loan in the total sum of approximately HK\$245.1 million being all the amount of principal, interest and other payment outstanding under a mortgage.

Completion of the Disposal took place on 25 July 2011. Upon Completion, EIIL and EISL will cease to be subsidiaries of the Company.

USE OF PROCEEDS

Sale proceeds from the Disposal will be used as additional working capital and for future business development of the Group.

REASON FOR THE DISPOSAL

The Company is an investment holding company and its subsidiaries are principally engaged in property development and investment, and hotel operation. The Property is held by the Group as investment property for rental income.

The Property was acquired by the Group in April 2008 by way of acquisition of EISL with the value of the Property taken to be approximately HK\$525.0 million. Upon Completion, it is estimated that approximately HK\$20.0 million will be recorded as fair value gain for the financial year ending 31 March 2012 taking into consideration that certain fair value gain has already been recognised in the previous financial years.

The Directors considered that the Disposal represents a good opportunity for the Company to realize the Property at a reasonable price. The proceeds from the Disposal will improve the financial position of the Group by providing additional funds for other investment opportunities as well as improving the working capital condition of the Group. The Directors also considered that the transactions under the Agreement are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

GENERAL

As the relevant percentage under the size tests (as defined in the Listing Rules) exceed 5% but do not exceed 25%, the Agreement constitutes a discloseable transaction for the Company and is subject to the announcement requirement but exempt from Shareholders' approval requirement under Chapter 14 of the Listing Rules.

TERMS USED IN THIS ANNOUNCEMENT

“Agreement”	the agreement for sale and purchase of the entire issued share capital of EIL dated 25 July 2011 entered into between the Vendor and the Purchaser
“BVI”	British Virgin Islands
“Central Source” or “Purchaser”	Central Source Limited, a company incorporated in BVI and an Independent Third Party principally engaged in finance and property investment
“Company”	Emperor International Holdings Limited, an exempted company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange
“Completion”	completion of the Disposal
“Completion Accounts”	the balance sheet of EIL as at close of business on the Completion Date and the profit and loss account of EIL for the period from 1 April 2011 to the close of business on the Completion Date
“Completion Date”	25 July 2011, the date of the Completion
“Consideration”	the consideration for the Sale Share
“Director(s)”	director(s) of the Company
“Disposal”	the disposal of EIL contemplated under the Agreement
“EIL”	Emperor Investment Intermediary Limited, an investment holding company incorporated in BVI and an indirect wholly-owned subsidiary of the Company
“EISL”	Emperor International Square Limited, a company incorporated in Hong Kong and a wholly-owned subsidiary of EIL
“Good Force” or “Vendor”	Good Force Investments Limited, a company incorporated in BVI and an indirect wholly-owned subsidiary of the Company
“Group”	the Company and its subsidiaries

“Independent Third Party(ies)”	third party(ies) independent of the Company and its connected persons (as defined in the Listing Rules)
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Pan Sutong”	Mr. Pan Sutong, the sole shareholder of Central Source
“Property”	New Kowloon Inland Lot No.5948, Emperor International Square, 7 Wang Tai Road, Kowloon Bay, Kowloon, Hong Kong
“Provisional Agreement”	the Provisional Agreement for sale and purchase of the Property dated 25 May 2011 entered into between the EISL and the Purchaser
“Sale Share”	1 ordinary share of US\$1.00 of EIIL, representing the entire issued share capital in EIIL
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

By Order of the Board
Emperor International Holdings Limited
Luk Siu Man, Semon
Chairperson

Hong Kong, 25 July 2011

As at the date hereof, the Board comprises:

Non-executive Director: Ms. Luk Siu Man, Semon (*Chairperson*)

Executive Directors: Mr. Wong Chi Fai (*Managing Director*)
Ms. Fan Man Seung, Vanessa (*Managing Director*)
Mr. Cheung Ping Keung

Independent Non-executive Directors: Mr. Chan Man Hon, Eric
Mr. Liu Hing Hung
Mr. Law Ka Ming, Michael

* *for identification purposes only*