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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
ACQUISITION OF ENTIRE EQUITY INTEREST IN SUPERIOR CHOICE
HOLDINGS LIMITED AND RELEVANT SHAREHOLDER'S LOAN

On 19 June 2019, the Purchaser, an indirect wholly-owned subsidiary of the Company, and the Company (as the Purchaser Guarantor) entered into the S&P Agreement with the Vendor and the Vendor Guarantor, being Independent Third Parties, in relation to the sale and purchase of the Sale Shares and the Sale Loan at the total consideration of HK\$595.0 million (subject to adjustments). The Target Group owns the Property known as “CentreHollywood”, which is located at No. 151 Hollywood Road, Hong Kong, and operates the leasing of the Property.

The Acquisition constitutes a discloseable transaction for the Company and is subject to notification and announcement requirements but is exempt from the Shareholders' approval requirement under the Listing Rules.

S&P AGREEMENT

The Board is pleased to announce that on 19 June 2019, the Purchaser, an indirect wholly-owned subsidiary of the Company, and the Company (as the Purchaser Guarantor) entered into the S&P Agreement with the Vendor and the Vendor Guarantor, being Independent Third Parties, in relation to the sale and purchase of the Sale Shares and the Sale Loan at the total consideration of HK\$595.0 million (subject to adjustments).

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Vendor, the Vendor Guarantor and their respective ultimate substantial shareholder(s) are Independent Third Parties.

* *For identification purpose only*

Assets to be acquired

- (i) the Sale Shares; and
- (ii) the Sale Loan.

Consideration and payment terms

The consideration for the Acquisition is an amount equal to HK\$595.0 million and adjusted by the following items (the “**Adjustment Items**”) with reference to the Completion Accounts:

- (i) reduced by the amount of any and all liabilities of the Target Group including but not limited to all accrued expenses (excluding the Sale Loan and deferred tax liabilities (if any)); and
- (ii) increased by the aggregate amount (if any) of the following assets which are readily convertible into cash or equivalent (which, for the avoidance of doubt, excludes the Property, the Chattels, any fixed assets and intangible assets) of the Target Group:
 - (a) cash and bank balances (if any) as at the Completion Date;
 - (b) prepaid management fees, rates and government rent (if any), in respect of the Property covering the period from but excluding the Completion Date;
 - (c) refundable and subsisting management fee deposits and utility deposits placed with relevant authorities or suppliers for the supply of any utilities or services to the Property; and
 - (d) other receivables (excluding any rental incentives) due less than 30 days and tax recoverable as at the Completion Date.

The consideration was determined after arm’s length commercial negotiations between parties after taking into account (i) the unaudited consolidated net asset value of the Target Group of approximately HK\$357.7 million as at 31 May 2019; (ii) the amount of the loan due by the Target Company to the Vendor of approximately HK\$338.7 million as at 31 May 2019; and (iii) the prevailing market value of properties similar to the Property in the same area in Hong Kong Island.

The consideration for the Acquisition shall be settled in the following manner:

- (a) an initial deposit of HK\$59.5 million shall be paid to the Vendor Guarantor (as designated recipient for and on behalf of the Vendor) upon signing of the S&P Agreement;
- (b) a further deposit of HK\$59.5 million shall be paid to the Vendor Guarantor (as designated recipient for and on behalf of the Vendor) within one month from the date of the S&P Agreement, i.e. on or before 18 July 2019;

- (c) an amount equal to the balance of HK\$595.0 million adjusted by the Adjustment Items with reference to the Pro Forma Completion Accounts and deducting the deposits as mentioned in items (a) and (b) above shall be paid at Completion; and
- (d) an amount equal to the difference between the amount of Adjustment Items determined with reference to the Completion Accounts and the amount of Adjustment Items determined with reference to the Pro Forma Completion Accounts shall be settled within ten (10) Business Days after agreement or determination of the Completion Accounts.

The deposits as mentioned in items (a) and (b) above (in the form of cashier's order(s)) shall be held by the Vendor's solicitors as stakeholders who may release the same to the Vendor in payment of the consideration at Completion.

The payment to be made by the Purchaser shall be made by cashier's order(s) issued by licensed bank(s) in Hong Kong in favour of the Vendor Guarantor or such other method as the Purchaser and the Vendor may agree in writing.

The consideration will be financed by internal resources of the Group.

Vendor Guarantee

The Vendor Guarantor is an investment holding company incorporated under the laws of Bermuda with limited liability. The principal business of the Vendor Guarantor and its subsidiaries includes foundation piling and site investigation, property development and investment and investment business.

The Vendor Guarantor unconditionally and irrevocably undertakes as primary obligor to the Purchaser the due and punctual performance and observance by the Vendor of all its obligations and undertakings under the S&P Agreement and undertakes to indemnify and keep indemnified the Purchaser against all losses, costs, liabilities and damages which it may suffer or incur by reason of any default or undue delay on the part of the Vendor in the performance of all its obligations and undertakings under the S&P Agreement.

Purchaser Guarantee

The Company being the Purchaser Guarantor unconditionally and irrevocably undertakes as primary obligor to the Vendor the due and punctual performance and observance by the Purchaser of all its obligations and undertakings under the S&P Agreement and undertakes to indemnify and keep indemnified the Vendor against all losses, costs, liabilities and damages which it may suffer or incur by reason of any default or undue delay on the part of the Purchaser in the performance of all its obligations and undertakings under the S&P Agreement.

Conditions precedent

Completion is conditional upon the following conditions being satisfied or waived by the Purchaser in writing in accordance with the S&P Agreement on the Completion Date:

- (a) the compliance with the Listing Rules by the Vendor Group;
- (b) The Vendor having procured the transfer of the domain name “www.centrehollywood.com.hk” to the Target Subsidiary;
- (c) the Target Subsidiary being the sole legal and beneficial owner of the Property is, subject to clauses in the S&P Agreement, able to show and give good title to the Property in accordance with sections 13 and 13A of the Conveyancing and Property Ordinance (Cap. 219 of the Laws of Hong Kong) free from all Encumbrances;
- (d) the Vendor being the sole legal and beneficial owner of the Sale Shares and the Sale Loan free from all Encumbrances and having the capacity and power to sell the Sale Shares and assign all or any part of the Sale Loan to the Purchaser free from all Encumbrances; and
- (e) the Target Company being the sole legal and beneficial owner of all the issued shares of the Target Subsidiary free from all Encumbrances.

If any of the conditions has not been satisfied or waived on or before the Completion Date, unless the Vendor and the Purchaser otherwise agree in writing, the Purchaser may on that date, at its option (but without prejudice to any other right or remedy it may have), by notice to the Vendor to (i) postpone the Completion Date to a date (being a Business Day) falling not more than ten (10) Business Days after the original Completion Date; or (ii) terminate the S&P Agreement.

Completion

Pursuant to the S&P Agreement, subject to all of the conditions being satisfied (or waived pursuant to the terms of the S&P Agreement), Completion shall take place at or before 5:00 p.m. on the Completion Date.

Upon Completion, the Target Company will be wholly-owned by the Purchaser and become an indirect wholly-owned subsidiary of the Company.

INFORMATION OF THE TARGET GROUP

The Vendor is an investment holding company incorporated in the BVI. The Target Company is an investment holding company incorporated in the BVI and wholly-owned by the Vendor. The Target Company is the legal and beneficial owner of the entire issued shares of the Target Subsidiary whose principal business is holding and leasing the Property.

The Property is a 26-storey commercial building situated at a prominent location of the commercial hub in No.151 Hollywood Road with a total gross floor area of approximately 32,727 sq. ft..

The unaudited consolidated financial information of the Target Group for the two years ended 31 March 2018 and 31 March 2019 are set out below:

	For the year ended 31 March 2019 (Unaudited) <i>HK\$'000</i>	For the year ended 31 March 2018 (Unaudited) <i>HK\$'000</i>
Profit before taxation	28,710	16,809
Profit after taxation	26,983	17,739

The unaudited consolidated total asset value and net asset value of the Target Group as at 31 May 2019 were approximately HK\$702.2 million and HK\$357.7 million respectively.

REASONS FOR THE ACQUISITION

The Company is an investment holding company and its subsidiaries are principally engaged in property investments, property development and hospitality in the Greater China and overseas.

The Purchaser which is an indirect wholly-owned subsidiary of the Company, is principally engaged in property investment and will hold the Target Company immediately after Completion.

The Group's property investment portfolio has been strategically aiming at superior investment properties. Located at a prominent location of commercial hub in Sheung Wan, the Acquisition will optimize the Group's portfolio of investment properties and broaden the income base. The Board is confident in its return on rental income.

The Board considers that the terms and conditions for the Acquisition are on normal commercial terms, which are fair and reasonable and in the interest of the Company and its Shareholders as a whole.

GENERAL

As one or more of the applicable percentage ratios (as defined in Listing Rules) in respect of the Acquisition are greater than 5% but all of them are less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is subject to notification and announcement requirements but is exempt from the Shareholders' approval requirement under the Listing Rules.

TERMS USED IN THIS ANNOUNCEMENT

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

“Acquisition”	the acquisition of the Sale Shares and the Sale Loan by the Purchaser under the S&P Agreement
“Affiliate”	in relation to any person or entity, means any corporation, company, partnership, association or other business entity (i) that is controlled by such person or entity, (ii) that controls such person or entity; or (iii) is under common control with such person or entity. “control” means ownership of more than 50% of the voting securities or interests in another person or entity, or the ability to direct the management or policies of such person or entity, whether by contract or otherwise
“BVI”	the British Virgin Islands
“Board” or “Directors”	the board of directors of the Company
“Business Day”	a day (not being a Saturday, Sunday, public holiday or any day on which typhoon signal No. 8 or above or black rainstorm warning is hoisted in Hong Kong at any time from 9:00 a.m. to 5:30 p.m.) on which licensed banks are generally open for business in Hong Kong
“Chattels”	means all and any furniture, fixtures, fittings, chattels, goods, equipment and electrical appliances in the existing physical state and condition
“Company” or “Purchaser Guarantor”	Emperor International Holdings Limited, an exempted company incorporated in Bermuda with limited liability, the issued shares of which are listed on the main board of the Stock Exchange (Stock Code: 163)
“Completion”	completion of the Acquisition in accordance with the S&P Agreement
“Completion Accounts”	the consolidated profit and loss account of the Target Group for the period commencing from 1 April 2019 to and inclusive of the Completion Date and the consolidated statement of financial position of the Target Group as at close of business on the Completion Date agreed or determined in accordance with the S&P Agreement

“Completion Date”	19 August 2019, being the first Business Day falling on the expiry of the two-month period from the date of the S&P Agreement or such other date as the Vendor and the Purchaser may agree in writing on which Completion takes place, provided the Vendor shall be given ten (10) Business Days’ prior notice if Completion shall take place prior to 19 August 2019
“connected person(s)”	has the meaning as ascribed under the Listing Rules
“Encumbrance”	means a mortgage, charge, pledge, lien, option, right of first refusal, right of pre-emption, third-party right or interest, other encumbrance or security interest of any kind, or another type of preferential arrangement (including a title transfer or retention arrangement) having similar effect and any agreement or obligation to create or grant any of the aforesaid
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	third parties independent of the Company and its connected persons (as defined in the Listing Rules)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Pro Forma Completion Accounts”	the pro-forma consolidated profit and loss account of the Target Group for the period commencing from 1 April 2019 to and inclusive of the Completion Date and the pro-forma consolidated statement of financial position of the Target Group as at close of business on the Completion Date
“Property”	ALL THOSE pieces or parcels of ground registered in the Land Registry as THE REMAINING PORTION OF SUBSECTION 1 OF SECTION E OF INLAND LOT NO.853, THE REMAINING PORTION OF SUBSECTION 2 OF SECTION E OF INLAND LOT NO.853 and THE REMAINING PORTION OF SECTION E OF INLAND LOT NO.853 Together with the messuages erections and building thereon now known as “CentreHollywood” (formerly known as “iZi” and “Yee Hing Loong Commercial Building”), No.151 Hollywood Road, Hong Kong and the appurtenances thereto

“Purchaser”	New Pursue Limited, a company incorporated in the BVI and an indirect wholly-owned subsidiary of the Company
“S&P Agreement”	the formal sale and purchase agreement dated 19 June 2019 in respect of the Acquisition entered into between the Vendor and the Purchaser and the Vendor Guarantor and the Purchaser Guarantor
“Sale Loan”	all, if any, loan(s) owing by the Target Company to the Vendor as at and immediately before Completion
“Sale Shares”	10 ordinary shares of US\$1 each in the share capital of the Target Company, representing the entire issued shares of the Target Company
“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
“substantial shareholder(s)”	has the meaning as ascribed under the Listing Rules
“Target Company”	Superior Choice Holdings Limited, a company incorporated in the BVI with limited liability and the legal and beneficial owner of the entire issued share capital of the Target Subsidiary
“Target Group”	the Target Company and the Target Subsidiary
“Target Subsidiary”	Excel Pointer Limited, a company incorporated in Hong Kong with limited liability and the direct wholly-owned subsidiary of the Target Company, which owns the Property before Completion.
“US\$”	United State Dollars, the lawful currency of the United States of America
“Vendor”	Fundamental Assets IV Limited, a company incorporated in the BVI, and a wholly-owned subsidiary of the Vendor Guarantor
“Vendor Guarantor”	A company incorporated in Bermuda with limited liability
“Vendor Group”	collectively, the holding companies, subsidiaries and Affiliates of the Vendor

“%” per cent

“sq. ft.” square feet

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

Hong Kong, 19 June 2019

As at the date hereof, the Board comprises:

Non-executive Director:

Ms. Luk Siu Man, Semon

Executive Directors:

Mr. Wong Chi Fai

Ms. Fan Man Seung, Vanessa

Mr. Cheung Ping Keung

Mr. Yeung Ching Loong, Alexander

Independent Non-executive Directors:

Ms. Cheng Ka Yu

Mr. Wong Tak Ming, Gary

Mr. Chan Hon Piu