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英皇國際集團有限公司
Emperor International Holdings Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 163)

DISCLOSEABLE TRANSACTION
ACQUISITION OF 10% ISSUED SHARE CAPITAL
OF THE TARGET COMPANY

On 16 September 2022 (after trading hours), the Purchaser, an indirect wholly-owned subsidiary of the Company, entered into the Sale and Purchase Agreement with the Vendor and the Guarantor, being Independent Third Parties, in relation to the sale and purchase of the Sale Share and the Sale Loan at the Consideration of HK\$325.0 million.

INTRODUCTION

The Board announces that, on 16 September 2022 (after trading hours), the Purchaser, an indirect wholly-owned subsidiary of the Company, entered into the Sale and Purchase Agreement with the Vendor and the Guarantor, being Independent Third Parties, in relation to the sale and purchase of the Sale Share and the Sale Loan at the Consideration of HK\$325.0 million.

THE SALE AND PURCHASE AGREEMENT

Date: 16 September 2022

Vendor: Easycrest

Purchaser: Optimistic Horizon

Guarantor: Mingfa, as Vendor's guarantor

Pursuant to the Sale and Purchase Agreement, the Vendor has conditionally agreed to sell and to procure Ming Fat to assign the Sale Loan, and the Purchaser has conditionally agreed to purchase the Sale Share and to procure Emperor Financial to take up the assignment of the Sale Loan.

To the best of the Director's knowledge, information and belief, having made all reasonable enquiries, the Vendor, the Guarantor, together with their respective ultimate beneficial owner, are Independent Third Parties.

Consideration and payment terms

The Consideration shall be HK\$325.0 million which was determined after arm's length negotiations between the Vendor and the Purchaser on normal commercial terms with reference to (i) the unaudited consolidated net liabilities of the Target Company of approximately HK\$137.0 million as at 30 June 2022; (ii) the amounts of the Sale Loan of approximately HK\$252.4 million as at 30 June 2022; (iii) the prevailing market prices of the Property; and (iv) the current Hong Kong property market sentiment.

There is an outstanding obligation of Ming Fat to inject HK\$12.0 million into the Target Company ("**Committed Loan**"). As at the date of the Sale and Purchase Agreement, the amount remains outstanding. Subject to the Completion, the Vendor has agreed to procure Ming Fat to transfer, and the Purchaser has agreed to procure Emperor Financial to execute a deed of assumption of debt for the assumption of all the liabilities and obligations of Ming Fat in respect of 50% of the Committed Loan at Completion in consideration of Ming Fat paying an amount equal to the said 50% of the Committed Loan in a sum of HK\$6.0 million to Emperor Financial. Such consideration shall be offset by deducting HK\$6.0 million from the Consideration.

The amount payable after taking into account the offset of HK\$6.0 million as mentioned above, being HK\$319.0 million, shall be payable to the Vendor upon Completion by delivery of cashier order(s) issued by a licensed bank in Hong Kong or such other manner as the Vendor and the Purchaser may otherwise agree in writing.

Conditions precedent

Completion shall be conditional upon all of the Conditions being satisfied (or waived by the Purchaser) before the expiry of nine months from the date of the Sale and Purchase Agreement:

- (i) the Vendor having obtained waiver of, any right of pre-emption which exists or may exist in respect of the Sale Share, whether pursuant to the articles of association of the Target Company or otherwise howsoever arising;
- (ii) the Vendor having obtained the written consent of the existing lender of the Target Company in respect of the Sale and Purchase Agreement and the transactions contemplated thereunder at its own costs and delivered to the Purchaser all relevant documentary evidence showing the grant of such consent and release of any of its obligations by the existing lender;
- (iii) where applicable, the Guarantor having obtained all the necessary corporate approval by its shareholder(s) (by way of obtaining a written shareholders' approval or (if such written approval has not been obtained) by passing an ordinary resolution in a general meeting) approving the Sale and Purchase Agreement and the transactions contemplated thereunder;

- (iv) the Vendor having been able to procure Ming Fat to execute the deed of assignment of Sale Loan and the deed of assumption of debt in respect of 50% of the Committed Loan above;
- (v) all the warranties remaining true and accurate and not misleading as at Completion and no events having occurred that would result in any breach of any of the warranties or provisions of the Sale and Purchase Agreement by the Vendor;
- (vi) the Purchaser having obtained all relevant internal approval from its board of directors and (where required by the Listing Rules) the board of directors of the Company in respect of the Sale and Purchase Agreement and the transactions contemplated thereunder;
- (vii) the conditions precedent to completion of the C C Land SPA and transactions contemplated thereunder (“**Concurrent Transaction**”) having been satisfied or waived; and
- (viii) the Acquisition shall be completed concurrently with the Concurrent Transaction,

failing which the Purchaser (or the Vendor) may terminate the Sale and Purchase Agreement by giving at least five business days’ prior written notice to the Vendor (or the Purchaser) and upon expiry of the said notice period, the Sale and Purchase Agreement shall cease to have any effect and become null and void, all the obligations and liabilities of the parties thereunder shall cease and determine, and neither party shall have any claim against the other party (save for any claim in respect of any antecedent breaches or any rights or remedies which shall have accrued prior thereto).

The Purchaser may in its absolute discretion at any time waive in writing any of the Conditions or any part thereof on such terms as it may decide, except that the Conditions (iii) and (vi) above which shall not be waived. Save as so waived, the Vendor shall use its best endeavours to ensure that all the Conditions (save and except for the Condition (vi) above) shall be fulfilled as soon as possible after execution of the Sale and Purchase Agreement.

Vendor’s Guarantee

The Guarantor guarantees to the Purchaser, amongst others, the due and punctual performance of the Vendor’s obligations under or pursuant to the Sale and Purchase Agreement.

Completion

Subject to the terms and conditions of the Sale and Purchase Agreement, Completion shall take place at or before 3:00 p.m. on the Completion Date (or at such other time as may be agreed by the Vendor and Purchaser in writing).

Immediately after Completion, equity interest indirectly held by the Company in the Target Company will be increased to 50%, while the Target Company will not be accounted for as a subsidiary of the Company and hence, will not be consolidated into the Group’s consolidated financial statements.

INFORMATION OF THE TARGET COMPANY AND THE PROPERTY

The Target Company is an investment holding company incorporated in the BVI with limited liability and the legal and beneficial owner of the entire issued share capital of the property holding company which directly holds the Property.

The Property is a signature luxury residential project known as No. 15 SHOUSON with a gross floor area of approximately 87,200 sq. ft., and has been developed into 15 low-density luxury villas, complemented by comprehensive auxiliary facilities.

At the date of this announcement, the Target Company is owned as to 40% by the Purchaser, 40% by Land Magic and 20% by the Vendor.

The audited consolidated financial information of the Target Company for the two years ended 31 December 2020 and 31 December 2021 are set out below:

	2021	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>
Loss before taxation	72,343.0	170.9
Loss after taxation	72,343.0	170.9

The unaudited consolidated total asset value and net liabilities of the Target Company as at 30 June 2022 were approximately HK\$4,968.7 million and HK\$137.0 million respectively.

INFORMATION OF THE VENDOR, THE GUARANTOR AND MING FAT

Easycrest is a company incorporated under the laws of the BVI and a wholly-owned subsidiary of Mingfa. Its principal activity is property development. Mingfa is an investment holding company and its subsidiaries are principally engaged in property development, property investment and hotel operation in the People's Republic of China.

Ming Fat is a company incorporated under the laws of Hong Kong with limited liability and a wholly-owned subsidiary of Mingfa and its principal activity is investment holding.

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 investment holding.

The Target Company has launched the No. 15 SHOUSON project to the market since late-May 2022. Upon Completion, the equity interest in the Target Company held by the Company will be increased from 40% to 50%. The management of the Group is optimistic about the prospects of the Property as the site is situated at a prime location and is within the vicinity of a high priced residential area in the south side of Hong Kong Island and a network of prestigious schools. The Board believes that the Acquisition at present represents a precious opportunity to increase the equity interest in the No. 15 SHOUSON project as it would enable the Company to generate more income and provide capital appreciation of the Property to the Group in the future.

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 of the applicable percentage ratios (as defined in Listing Rules) in respect of the Acquisition is 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 reporting and announcement requirements but is exempt from the Shareholders' approval requirement under the Listing Rules.

Completion is subject to the fulfilment of certain conditions precedent, and, therefore may or may not take place. Shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company.

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 Share and the Sale Loan by the Purchaser under the Sale and Purchase Agreement
“BVI”	the British Virgin Islands
“Board” or “Directors”	the board of directors of the Company
“C C Land”	C C Land Holdings Limited, a company incorporated in Bermuda with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 1224)
“C C Land SPA”	the sale and purchase agreement dated 16 September 2022 entered between Modern Hero Global Limited, a wholly-owned subsidiary of C C Land, the Vendor and the Guarantor in relation to, inter alia, the acquisition of 10% of the entire issued shares capital of the Target Company by Modern Hero Global Limited
“Company”	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
“Completion”	completion of the Acquisition pursuant to the Sale and Purchase Agreement

“Completion Date”	15 November 2022 or within three (3) business days after the Conditions having been satisfied (or waived by the Purchaser) or such other date as agreed by the Vendor and the Purchaser in writing
“Condition(s)”	the condition(s) precedent to the Completion as set out in the paragraph headed “Conditions Precedent” under the section headed “The Sale and Purchase Agreement” in this announcement
“connected person”	has the meaning ascribed under the Listing Rules
“Consideration”	the sum of HK\$325.0 million payable by the Purchaser to the Vendor for the Sale Share and the Sale Loan pursuant to the Sale and Purchase Agreement
“CSI”	CSI Properties Limited, a company incorporated in Bermuda with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 497)
“Emperor Financial”	Emperor Financial Management Limited, a company incorporated under the laws of Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“Group”	the Company and its subsidiaries
“Guarantor” or “Mingfa”	Mingfa Group (International) Company Limited, a company incorporated in the Cayman Islands, the issued share of which are listed on the Main Board of the Stock Exchange (stock code: 846)
“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)
“Land Magic”	Land Magic Investments Limited, a company incorporated under the laws of the BVI with limited liability which is ultimately held by C C Land and CSI
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Ming Fat”	Ming Fat Holdings (Hong Kong) Limited, a company incorporated under the laws of Hong Kong with limited liability, a subsidiary of the Guarantor, the nominated financier of the Vendor

“Property”	the residential development known as No.15 SHOUSON erected on all that piece or parcel of ground registered in the Land Registry as Rural Building Lot No.1198
“Purchaser” or “Optimistic Horizon”	Optimistic Horizon Limited, a company incorporated in the BVI and an indirect wholly-owned subsidiary of the Company
“Sale and Purchase Agreement”	the sale and purchase agreement dated 16 September 2022 in respect of the Sale Share and the Sale Loan entered into between the Vendor, the Guarantor and the Purchaser
“Sale Loan”	50% of all loan(s), interests, indebtedness and sums owing by the Target Company to Ming Fat as at Completion
“Sale Share”	1 ordinary share held by the Vendor in the capital of the Target Company, being 10% of the entire issued shares of the Target Company
“Shareholder(s)”	holder(s) of the ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Superb Land Limited, a company incorporated in the BVI and the legal and beneficial owner of the entire issued share capital of the property holding company which directly holds the Property
“Vendor” or “Easycrest”	Easycrest Limited, a company incorporated in the BVI and a wholly-owned subsidiary of Mingfa
“%”	per cent.
“sq. ft.”	square feet

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

Hong Kong, 16 September 2022

As at the date of this announcement, the Board comprises:

Non-executive Director:

Ms. Luk Siu Man, Semon

Executive Directors:

Mr. Yeung Ching Loong, Alexander

Mr. Wong Chi Fai

Ms. Fan Man Seung, Vanessa

Mr. Cheung Ping Keung

Independent Non-executive Directors:

Mr. Chan Hon Piu

Mr. Chu Kar Wing

Mr. Poon Yan Wai