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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 ENTIRE EQUITY INTEREST IN
DISPOSAL COMPANY AND
RELEVANT SHAREHOLDER'S LOAN**

On 21 April 2021 after trading hours, the Vendor and the Company (as the Vendor's Guarantor) entered into the SP Agreement with the Purchaser in relation to the sale and purchase of the Sale Share and the Sale Loan. The Consideration is determined with reference to the value of the Property being HK\$508.0 million as agreed between the Vendor and the Purchaser. The Disposal Group owns the Property located at No. 82 Hung To Road, Kwun Tong, Kowloon, Hong Kong. Completion took place simultaneously upon signing of the SP Agreement.

The Disposal constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements but exempt from the Shareholders' approval requirement under Chapter 14 of the Listing Rules.

INTRODUCTION

The Board announces that on 21 April 2021 after trading hours, the Vendor and the Company (as the Vendor's Guarantor) entered into the SP Agreement with the Purchaser in relation to the sale and purchase of the Sale Share and the Sale Loan. Completion took place simultaneously upon signing of the SP Agreement.

SP AGREEMENT DATED 21 APRIL 2021

Vendor: Emperor Property, a wholly-owned subsidiary of the Company

Purchaser: STRG Holdings II Limited

Vendor's Guarantor: the Company, which guarantees to the Purchaser the due and punctual performance of the Vendor's obligations in accordance with the SP Agreement and the transactions contemplated thereunder

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Purchaser, together with its ultimate beneficial owner, are Independent Third Parties.

** for identification purpose only*

Assets to be disposed of

- (i) the Sale Share, and
- (ii) the Sale Loan.

Consideration and payment terms

Subject to the adjustments as disclosed under the section headed “Completion Accounts”, the consideration for the Disposal shall be HK\$508.0 million (being the value of the Property as agreed between the Vender and the Purchaser) and adjusted by the amount of the consolidated net asset value of the Disposal Group determined with reference to the Pro Forma Completion Accounts (the “**Pro Forma NAV**”)(the “**Consideration**”). As at Completion, the Consideration is approximately HK\$485.8 million and such amount was paid by the Purchaser to the Vendor by way of cheque issued by the Purchaser’s solicitors.

The Consideration was arrived at after arm’s length negotiations between the Vendor and the Purchaser on normal commercial terms and such adjustments were made after taking into account the Pro Forma NAV.

The Directors are of the view that the terms and conditions (including the Consideration) of the SP Agreement are on normal commercial terms, which are fair and reasonable and are in the best interests of the Company and the Shareholders as a whole.

Completion Accounts

Pursuant to the SP Agreement, the Vendor by no later than 40 Business Days following the Completion Date shall prepare the Completion Accounts. The Consideration shall be subject to the following further adjustments following agreement or determination of the Completion Accounts:

- (i) there shall be added to the Consideration the amount (if any) by which the amount of adjusted consolidated net asset value determined by reference to the Completion Accounts is more than the Pro Forma NAV; and
- (ii) there shall be deducted from the Consideration the amount (if any) by which the amount of adjusted consolidated net asset value determined by reference to the Completion Accounts is less than the Pro Forma NAV.

If the Consideration (as adjusted) determined is increased pursuant to the adjustment, the Purchaser shall pay to the Vendor the amount of such increase.

If the Consideration (as adjusted) determined is reduced pursuant to the adjustment, the Vendor shall repay to the Purchaser the amount of such deduction.

The amount, subject to adjustments stated above and pursuant to the SP Agreement, shall be paid within 10 Business Days after agreement or determination of the Completion Accounts.

Completion

Completion took place after the trading hours on the Completion Date.

Following Completion, the Company does not hold any equity interest in the Disposal Group and the Disposal Group ceases to be subsidiaries of the Company.

INFORMATION OF THE PURCHASER

The Purchaser is a special purpose vehicle formed for acquiring the Property and is principally engaged in investment holdings.

To the best of the Directors' knowledge, information and belief (having made all reasonable enquiries) and based on the information provided, the Purchaser and its ultimate beneficial owner are Independent Third Parties.

INFORMATION OF THE DISPOSAL GROUP AND THE PROPERTY

Information of the Disposal Group

The Disposal Company is a company incorporated in BVI and wholly-owned by the Vendor as at the date of this announcement. The Disposal Company is the legal and beneficial owner of the Subsidiary whose principal business is holding and leasing of the Property.

The unaudited consolidated financial information of the Disposal Group for the two years ended 31 March 2019 and 2020 is as below:

	For the year ended 31 March 2020 HK\$ '000	For the year ended 31 March 2019 HK\$ '000
(Loss)/Profit before taxation	(40,329)	9,417
(Loss)/Profit for the year	(39,462)	9,390

After taking into account the value of Property of HK\$508.0 million, the unaudited consolidated net asset value of Disposal Group as at 21 April 2021 was approximately HK\$165.9 million.

Information of the Property

The Property comprises a 10-storey industrial building located at No. 82 Hung To Road, Kwun Tong, Kowloon, Hong Kong. The Property occupies a site area of approximately 10,000 sq. ft. The gross area of the Property is approximately 89,500 sq. ft.

FINANCIAL EFFECT OF THE DISPOSAL AND USE OF PROCEEDS

The Disposal will result in fair value gain of approximately HK\$18.8 million. Such estimation is calculated with reference to (i) the Consideration for the Disposal; (ii) the unaudited adjusted consolidated net asset value of the Disposal Group as at 21 April 2021 in the amount of approximately HK\$165.9 million after adjustment on the book value of the Property from HK\$449.0 million as at 30 September 2020 to HK\$508.0 million; and (iii) the amount of Sale Loan of approximately HK\$319.9 million as at 21 April 2021. The actual gain in connection with the Disposal will be assessed after the Completion and is subject to review and final audit by the Company's auditors.

The net proceeds from the Disposal is estimated at approximately HK\$480.8 million, which will be used for future business development of the Group and as general working capital.

REASONS AND BENEFITS FOR THE DISPOSAL

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

Taking into account of the recent prevailing property market conditions, the Directors considered that the Disposal represents a good opportunity for the Company to realize its investment in the Property for a reasonable return. The Directors expected that the net proceeds from the Disposal will improve the financial position of the Group and save up additional reserve for backing up its investment opportunities in the future.

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

IMPLICATIONS UNDER THE LISTING RULES

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

TERMS USED IN THIS ANNOUNCEMENT

In this announcement, unless the context otherwise requires, capitalized terms used shall have the following meanings:

“Board” or “Directors”	the board of directors of the Company
“Business Day(s)”	means 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, Singapore and New York
“BVI”	the British Virgin Islands
“Company” or “Vendor’s Guarantor”	Emperor International Holdings 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: 163)
“Completion”	the completion of the Disposal in accordance with the terms and conditions of the SP Agreement

“Completion Accounts”	the consolidated statement of financial position of the Disposal Group as at the Cut-Off Time
“Completion Date”	the date of the SP Agreement, being 21 April 2021
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Cut-Off Time”	as at 11:59 p.m. (Hong Kong time) on the Business Day immediately prior to the Completion Date
“Disposal”	the disposal of the Sale Share and the Sale Loan by the Vendor to the Purchaser under the SP Agreement
“Disposal Company” or “Jade Talent”	Jade Talent Holdings Limited, a company incorporated in BVI and the legal and beneficial owner of the Subsidiary
“Disposal Group”	the Disposal Company and the Subsidiary
“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 statement of financial position of the Disposal Group as at the Cut-Off Time, prepared in accordance with the SP Agreement
“Property”	the building located at Kwun Tong Inland Lot No. 646 (known as the date hereof as No. 82 Hung To Road, Kwun Tong, Kowloon, Hong Kong) together with the messuages, erections and the buildings (if any) thereon
“Purchaser”	STRG Holdings II Limited, an exempted company with limited liability incorporated under the laws of Cayman Islands
“SP Agreement”	the sale and purchase agreement dated 21 April 2021 entered into between the Vendor, the Vendor’s Guarantor and the Purchaser in relation to the Disposal
“Sale Share”	1 ordinary share of US\$1 in the capital of the Disposal Company, representing the entire issued and fully paid up share capital of the Disposal Company

“Sale Loan”	all loans, interest and all other sums owing by Disposal Company to the Vendor as at Completion
“Shareholders”	holder(s) of the ordinary shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary”	Winning Treasure Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Disposal Company, which owns the Property
“US\$”	United States Dollars, the lawful currency of the United States of America
“Vendor” or “Emperor Property”	Emperor Property Investment Limited, a company incorporated in BVI and wholly-owned by the Company
“%”	per cent
“sq. ft.”	square feet

By order of the board
Emperor International Holdings Limited
Luk Siu Man Semon
Chairperson

Hong Kong, 21 April 2021

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