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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)



英皇證券集團有限公司*
Emperor Capital Group Limited
(Incorporated in Bermuda with limited liability)
(Stock Code : 717)

**CONNECTED TRANSACTION
INVOLVING DISPOSAL 100%
EQUITY INTEREST OF EMPEROR
CAPITAL LIMITED**

**CONNECTED TRANSACTION
INVOLVING ACQUISITION 100%
EQUITY INTEREST OF EMPEROR
CAPITAL LIMITED**

THE SALE AND PURCHASE AGREEMENT

The respective board of directors of Emperor International and Emperor Capital Group announce that the Vendor (a wholly-owned subsidiary of Emperor International) entered into the Sale and Purchase Agreement on 20 December 2007 with the Purchaser (a wholly-owned subsidiary of Emperor Capital Group) for the sale and purchase of the Sale Shares which represent the entire issued share capital of ECL at a consideration of HK\$9,800,000.

The Vendor is a wholly-owned subsidiary of Emperor International which is in turn owned as to 54.07% indirectly by the AY Trust while the Purchaser is a wholly-owned subsidiary of Emperor Capital Group which is in turn owned as to 45.09% indirectly by the AY Trust. Accordingly, the Purchaser is a connected person of Emperor International while the Vendor is a connected person of Emperor Capital Group within the meaning of the Listing Rules. As such, the Sale and Purchase Agreement constitutes a connected transaction for both Emperor International and Emperor Capital Group under Chapter 14A of the Listing Rules and is subject to reporting and announcement requirements but exempted from independent shareholders' approval requirements.

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Parties

- Vendor : Emperor Financial Services (Hong Kong) Limited, a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of Emperor International
- Purchaser : Profit Ascent Group Limited, a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of Emperor Capital Group

* *for identification purposes only*

Assets to be acquired

Sale Shares : 10,000,000 shares of HK\$1.00 each in the share capital of ECL, representing the entire issued share capital of ECL

Consideration and payment term

The consideration for the Sale Shares is HK\$9,800,000 which was arrived at after arm's length negotiations between the parties based on the net asset value of ECL as at 15 December 2007 as shown on its management accounts. The consideration is payable in cash upon completion of the Sale and Purchase Agreement. The respective board of directors (including their respective independent non-executive directors) of Emperor International and Emperor Capital Group consider that the terms for the Sale and Purchase Agreement are fair and reasonable insofar as their companies are concerned and in the interests of their shareholders as a whole.

Conditions

The Sale and Purchase Agreement is conditional upon, amongst all necessary consents and approvals having been obtained by the Vendor and the Purchaser for the sale and purchase of the Sale Shares and all matters in connection therewith including but not limited to the approval of the Securities and Futures Commission to the Purchaser's becoming a substantial shareholder of ECL pursuant to the Securities and Futures Ordinance.

If the conditions are not fulfilled or waived by the Purchaser by 31 March 2008 or such other date as may be agreed between the parties to the Sale and Purchase Agreement, the Sale and Purchase Agreement will cease and terminate.

Completion

Subject to the fulfillment or waiver of all the conditions set out above, Completion shall take place within two Business Days after the fulfillment or waiver of the conditions precedent. Upon Completion, Emperor International will cease to hold any interests in ECL.

INFORMATION RELATING TO ECL

ECL was incorporated in 1993. The principal activity of ECL is the provision of corporate finance advisory services. ECL holds a licence under the Securities and Futures Ordinance to carry on type 6 (advising on corporate finance) regulated activities. Based on its management accounts, the net asset value of ECL as at 15 December 2007 is approximately HK\$9.8 million. Set out below are the financial information of ECL, prepared under the Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants, for the two financial years ended 31 March 2007:

	For the year ended 31 March	
	2007	2006
	<i>HK\$'000</i>	<i>HK\$'000</i>
Profit/(loss) before taxation	477	(3,463)
Profit/(loss) after taxation	477	(3,463)

REASONS FOR AND BENEFITS OF THE SALE AND PURCHASE AGREEMENT

Emperor International is an investment holding company and its subsidiaries are principally engaged in property investment and development as well as hotel operation. The assets of Emperor International following Completion mainly comprise its core business of property investment and development in Hong Kong and the People's Republic of China. The disposal provides additional funds for Emperor International's property projects and also enable Emperor International to focus its resources in the core business of property investment.

Emperor capital Group is an investment holding company and its subsidiaries are principally engaged in providing a wide range of financial services including brokerage services for securities, futures and options. It also provides margin and initial public offering financing as well as loans and advances to clients. Following Completion, Emperor Capital Group can extend its reach to corporate financial advisory services and build up a complete securities and financial services.

The terms of the Sale and Purchase Agreement have been determined based on arm's length negotiation between the parties. The directors (including the independent non-executive directors) of both Emperor International and Emperor Capital Group consider the terms of the Sale and Purchase Agreement and the Sale and Purchase Agreement itself to be on normal commercial terms which are fair and reasonable so far as Emperor International and Emperor Capital Group and their shareholders are concerned and that the Sale and Purchase Agreement are in the best interests of Emperor International and Emperor Capital Group and their shareholders as a whole.

GENERAL

The Vendor is a wholly-owned subsidiary of Emperor International which is in turn owned as to 54.07% indirectly by the AY Trust while the Purchaser is a wholly-owned subsidiary of Emperor Capital Group which is in turn owned as to 45.09% indirectly by the AY Trust. Accordingly, the Purchaser is a connected person of Emperor International while the Vendor is a connected person of Emperor Capital Group.

As the Purchaser is a connected person of Emperor International within the meaning of the Listing Rules, the Sale and Purchase Agreement constitutes a connected transaction for Emperor International based on the percentage ratios calculations under the Listing Rules. As the relevant percentage ratios are more than 0.1% but less than 2.5% and the consideration for the Sale and Purchase Agreement is more than HK\$1,000,000, the Sale and Purchase Agreement is subject to reporting and announcement requirements set out in Rules 14A.45 to 14A.47 of the Listing Rules and is exempted from independent shareholders' approval requirements.

As the Vendor is a connected person of Emperor Capital Group within the meaning of the Listing Rules, the Sale and Purchase Agreement constitutes a connected transaction for Emperor Capital Group based on the percentage ratios calculations under the Listing Rules. As the consideration for the Sale and Purchase Agreement is less than HK\$10,000,000 but the relevant percentage ratios are greater than 2.5%, the Sale and Purchase Agreement is subject to reporting and announcement requirements set out in Rules 14A.45 to 14A.47 of the Listing Rules and is exempted from independent shareholders' approval requirements.

TERMS USED IN THIS ANNOUNCEMENT

“associates”	has the same meaning as defined in the Listing Rules
“AY Trust”	The Albert Yeung Discretionary Trust (of which Dr. Albert Yeung is the founder), a deemed substantial shareholder of both Emperor International and Emperor Capital Group, the eligible beneficiaries of which are family members (including Ms. Daisy Yeung, a director of Emperor Capital Group) of Dr. Albert Yeung
“Completion”	completion of the Sale and Purchase Agreement
“connected person(s)”	has the meaning ascribed to it in the Listing Rules
“ECL”	Emperor Capital Limited, a company incorporated in Hong Kong with limited liability
“Emperor Capital Group”	Emperor Capital Group Limited, an exempted company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange
“Vendor”	Emperor Financial Services (Hong Kong) Limited, a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of Emperor International
“Emperor International”	Emperor International Holdings Limited, an exempted company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange
“Sale and Purchase Agreement”	the sale and purchase agreement dated 20 December 2007 entered into between the Vendor and the Purchaser in relation to the sale and purchase of the Sale Shares
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Dr. Albert Yeung”	Dr. Yeung Sau Shing, Albert, spouse of Ms. Luk Siu Man, Semon, a non-executive Director and Chairperson of Emperor International
“Purchaser”	Profit Ascent Group Limited, a company incorporated in the British Virgin Islands and a wholly-own subsidiary of Emperor Capital Group

“Sale Shares”	the 10,000,000 shares of HK\$1.00 each in the share capital of ECL, representing the entire issued share capital of ECL
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars
“%”	per cent.

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

By Order of the Board
Emperor Capital Group Limited
Daisy Yeung
Managing Director

Hong Kong, 20 December 2007

As at the date hereof, the board of directors of Emperor International comprises Ms. Luk Siu Man, Semon (Chairperson and Non-executive Director); Mr. Wong Chi Fai and Ms. Fan Man Seung, Vanessa (Managing Directors); Mr. Cheung Ping Keung and Ms. Mok Fung Lin, Ivy (Executive Directors); Mr. Wan Chi Keung, Aaron, Mr. Chan Man Hon, Eric and Mr. Liu Hing Hung (Independent Non-executive Directors).

As at the date of this announcement, the board of directors of Emperor Capital Group comprises 1. Executive Directors: Ms. Daisy Yeung (Managing Director), Mr. Chan Pak Lam, Tom and Mr. Yeung Kun Lee, Sunny; 2. Independent Non-Executive Directors: Mr. Fung Chi Kin, Mr. Kwok Chi Sun, Vincent and Mr. Cheng Wing Keung, Raymond.