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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)



英皇娛樂酒店有限公司*
Emperor Entertainment Hotel Limited
(Incorporated in Bermuda with limited liability)
(Stock Code : 296)

**LITIGATION PROGRESS UPDATE
AND
RESUMPTION OF TRADING**

Reference is made to the joint announcement (the “**Announcement**”) between Emperor International Holdings Limited (“**EIHL**”) and Emperor Entertainment Hotel Limited (“**EEH**”) dated 3 December 2010. Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as that defined in the Announcement.

LITIGATION PROGRESS UPDATE

On 28 December 2010, Expert Pearl Group received a civil judgement (the “**Judgement**”) dated 28 December 2010 from the Shanghai No.2 Intermediate People’s Court, Shanghai, the PRC regarding the legal proceedings commenced by Expert Pearl Group against the joint venture partner (the “**JV Partner**”) for termination of the joint venture agreement (the “**JV Agreement**”) dated 26 May 2004 to develop the Property on the ground that the JV Partner had failed to settle the outstanding payment and construction costs in accordance with the terms of the JV Agreement. As set out in the Announcement, (i) Expert Pearl Group also claimed against the JV Partner for forfeiture of the JV Partner’s contribution to the project and required the JV Partner to settle outstanding payment and construction costs whilst (ii) the JV Partner contested the proceedings and counterclaimed against the Expert Pearl Group for breach of the JV Agreement (the “**Counterclaim**”).

Under the Judgement,

- (i) **Expert Pearl Group’s request for termination of the JV Agreement and other claims were not granted, and the JV Agreement shall continue to have effect; and**
- (ii) **the Counterclaim of the JV Partner was also rejected.**

Possible impact of the Judgement

Pursuant to the Judgement, the parties have to continue to observe their obligations under the JV Agreement. In that case, Expert Pearl Group is to provide the Property for the development and the JV Partner will be responsible for the construction at its own costs. Upon completion of the construction, the saleable floor area would be split between the parties in equal shares. Under the Judgement, Expert Pearl Group is not liable to pay the JV Partner any damages and vice versa.

The Expert Pearl Group has decided to appeal against the Judgement.

EIHL Board and EEH Board are now consulting their respective professional advisers on the effect of the Judgement on the Sale and Purchase Agreement and the Supplemental Agreement and the accounting treatment by Expert Pearl Group. However, the exact impact is yet to be ascertained. Further announcement will be made by EIHL and EEH when a more concrete analysis of the situation and the impact of the Judgement on the Transaction, the EEH Distribution, the Offer and the EIHL Distribution.

WARNING: The Transaction, the EEH Distribution, the Offer and the EIHL Distribution are all subject to their respective conditions which may be affected by the Judgement and may or may not proceed, and if proceed, may or may not be on the terms announced previously (if such happens, the amendments will be made in compliance with the Takeovers Code). The EIHL Shareholders, the EEH Shareholders and investors generally should therefore exercise caution when dealing in the EIHL Shares and the EEH Shares.

RESUMPTION OF TRADING

Trading in the EIHL Shares and EEH Shares on the Stock Exchange was suspended from 9:30 a.m. on 29 December 2010 at the request of EIHL and EEH pending the release of this joint announcement. Application has been made to the Stock Exchange for resumption in trading in the EIHL Shares and EEH Shares with effect from 9:30 a.m. on 3 January 2011.

By order of the Board	By order of the Board
Emperor International Holdings Limited	Emperor Entertainment Hotel Limited
Luk Siu Man, Semon	Luk Siu Man, Semon
<i>Chairperson</i>	<i>Chairperson</i>

Hong Kong, 31 December 2010

As at the date hereof, the board of directors of EIHL 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
Ms. Mok Fung Lin, Ivy

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

As at the date hereof, the board of directors of EEH comprises:

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

Executive Directors: Mr. Wong Chi Fai
Ms. Fan Man Seung, Vanessa
Ms. Mok Fung Lin, Ivy

Independent Non-executive Directors: Ms. Chan Sim Ling, Irene
Ms. Chan Wiling, Yvonne
Ms. Wan Choi Ha

As at the date of this joint announcement, the directors of the Offeror are Mr. Wong Chi Fai and Ms. Mok Fung Lin, Ivy.

All EEH Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than those in relation to the Offeror), and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any such statement contained in this joint announcement misleading.

The directors of the Offeror and EIHL jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than those in relation to EEH), and confirm, having made all reasonable enquires, that to the best of their knowledge, opinions expressed in this joint announcement have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any such statement contained in this joint announcement misleading.

* *for identification purposes only*