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HONESTY TREASURE INTERNATIONAL HOLDINGS LIMITED
信寶國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 600)

DISCLOSEABLE TRANSACTION
DISPOSAL OF CERTAIN PROPERTIES IN MACAU

The Vendor, a wholly-owned subsidiary of the Company, has agreed to dispose 24 residential units at various floors of Edificio Chu Kuan Mansion (珠光大廈) to the Purchaser, for a total consideration of HK\$53.6 million. The Purchaser is an Independent Third Party.

The Disposal constitutes a discloseable transaction for the Company under Rule 14.06(2) of the Listing Rules. A circular containing, among other things, details of the Agreement will be despatched to the Shareholders as soon as practicable.

The Board is pleased to announce that on 26 March 2007, the Agreement was entered into between the Vendor and the Purchaser, pursuant to which the Vendor agreed to dispose of and the Purchaser agreed to acquire 24 residential units at various floors of Edificio Chu Kuan Mansion (珠光大廈) for a total consideration of HK\$53.6 million. Details of the Properties are set out under the section headed “The Agreement” below.

Summarised below are the principal terms of the Agreement.

THE AGREEMENT

(i) Date

26 March 2007

(ii) Parties

Purchaser: Yue, Moon Tong Tom

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, the Purchaser is an Independent Third Party.

Vendor: Super Times, a wholly-owned subsidiary of the Company

(iii) Subject of the Disposal

Pursuant to the Agreement, the Purchaser has agreed to acquire from the Vendor 24 residential units located at various floors of Edificio Chu Kuan Mansion (珠光大廈). Out of the 24 residential units, 4 residential units have been rented out and are sold with tenancy agreements, for a total monthly rent of approximately MOP\$11,160.00 (approximately HK\$10,834.95). The other 20 residential units are vacant. The aggregate gross floor area of the Properties are 31,496 sq. ft. The Properties, together with another 42 residential units and 60 car parking spaces, were acquired by the Group in July 2006 for a total consideration of HK\$139.8 million.

Edificio Chu Kuan Mansion (珠光大廈) comprises of three blocks of buildings, with a total of 267 office units, 156 residential units, 31 shops and 441 car parking spaces. One of the blocks is for commercial use, with 22-storeys, and is located at Avenida Xian Xing Hai (洗星海大馬路) No. 105. The other two blocks are for residential use (being the south wing and the north wing). The south wing, with 16-storeys, is located at Rua de Madrid (馬德里街) No.169. The north wing, with 16-storeys, is located at Rua de Londres (倫敦街) No. 170.

(iv) Consideration

The consideration for the Properties of HK\$53.6 million was determined after arm's length negotiations between the parties and by reference to the recent market transactions value.

Under the Agreement, the consideration was or will be paid (as the case maybe) under the following schedule:

- (a) an initial deposit of HK\$3 million was paid by the Purchaser upon signing of the Agreement;
- (b) 15% of the consideration (i.e. HK\$8.04 million, including the initial deposit) will be payable upon signing of the formal sale and purchase agreement (within 7 days from the date of Agreement);
- (c) 15% of the consideration (i.e. HK\$8.04 million) will be payable within 45 days from the date of formal sale and purchase agreement; and
- (d) the remaining 70% of the consideration (i.e. HK\$37.52 million) will be payable within 120 days from the date of the formal sale and purchase agreement.

(v) Completion

Completion of the Disposal is subject to, inter alia, the entering into a formal sale and purchase agreement with the Purchaser. Except for 6 residential units (which would require additional renovation work), the expected long stop date of completion of the remaining residential units (i.e. 18 units) under the Disposal will be on or before 30 July 2007, being 120 days from the expected date of signing of the formal sale and purchase agreement.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Company is primarily an investment holding company and its investment portfolio includes (i) hotel and real estate investments; and (ii) trading and distribution of leather products.

According to the unaudited management accounts of the Group, the book value of the Properties was approximately HK\$49.3 million as at 31 December 2006. The Disposal at a consideration of HK\$53.6 million will give rise to a gain of approximately HK\$4.3 million (subject to final audit for the year ending 31 December 2007). With the improvement in the Macau's property market, the Directors consider that it is a good opportunity to dispose the Properties at a profit. Since the Group acquired the Properties in July 2006, after taking into account the rental income and deducting the management fee and interest expenses attributable to the Properties, the Properties incurred a net loss which is immaterial as compared to the Group's overall profit. Details of the amount of net loss attributable to the Properties will be disclosed in the circular to the Shareholders in relation to the Disposal.

The Board intends to use the net proceeds (after deducting the legal fees, stamp duty, if any) for the repayment of part of the outstanding mortgage loan in relation to the Properties (being HK\$97.86 million outstanding as at 28 February 2007, the latest practicable reference date prior to the issue of this announcement).

As the proceeds will apply towards the repayment of part of the mortgage loan, the Group will be able to save on interest expenses and hence, the debt gearing position would also improve as a result of the Disposal.

The Directors (including the independent non-executive Directors) are of the view that the entering into of the Agreement is in the interests of the Company and the Shareholders as a whole and the terms of the Agreement, including the consideration, are fair and reasonable.

GENERAL

The Disposal constitutes a discloseable transaction for the Company under Rule 14.06(2) of the Listing Rules. A circular containing, among other things, details of the Agreement will be despatched to the Shareholders as soon as practicable.

DEFINITIONS

Unless the context otherwise require, the following expressions have the following meanings in this announcement:

“Agreement”	the provisional contract for sale and purchase of the Properties (樓宇轉讓臨時合約) dated 26 March 2007 and entered into by the Purchaser and the Vendor in respect of the Properties
“Board”	the Board of Directors
“Company”	Honesty Treasure International Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the main board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the Properties by the Vendor pursuant to the Agreement
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	person(s), who are third party(ies) independent of the Company and its connected persons
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Macau”	the Macau Special Administrative Region of the PRC
“Properties”	24 residential units at various floors of Edificio Chu Kuan Mansion (珠光大廈) as more particularly set out in the Agreement
“PRC”	the People’s Republic of China, which for the purpose of this announcement excludes Hong Kong and Macau
“Purchaser”	Yue, Moon Tong Tom, an Independent Third Party
“Shares(s)”	ordinary share(s), currently with par value of HK\$0.05 each in the share capital of the Company

“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Super Times/the Vendor”	Super Times Far East Limited, a limited liability company incorporated under the laws of the British Virgin Islands and a wholly-owned subsidiary of the Company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“MOP”	Macau Patacas, the lawful currency of Macau

Amounts denominated in MOP in this announcement have been translated into HK\$ at a rate of MOP1.03=HK\$1.00 for illustration purposes.

Honesty Treasure International Holdings Limited

Lee Siu Yuk Eliza

Executive Director

Hong Kong, 27 March 2007

As at the date of this announcement, the Board comprises Mr. Chiang Pedro, Mr. Law Kar Po, Mr. Wu Ka I, Miguel, Mr. Hoi Man Pak, Mr. Ung Choi Kun, Ms. Law Wing Yee, Wendy and Ms. Lee Siu Yuk, Eliza as executive Directors; Mr. Leonel Alberto Alves as non-executive Director; and Mr. Lau Wai Ming, Mr. Kwok Hong Yee, Jesse and Mr. Wong King Lam, Joseph as independent non-executive Directors.

Please also refer to the published version of this announcement in The Standard.