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## **ANEX INTERNATIONAL HOLDINGS LIMITED**

**安歷士國際控股有限公司\***

*(Incorporated in Bermuda with limited liability)*

*(Stock Code: 723)*

### **TERMINATION OF THE PROPOSED ACQUISITION OF 95% INTEREST IN DONGGUAN ANEX PROPERTY MANAGEMENT COMPANY LIMITED CONCERNING POSSIBLE INVOLVEMENT IN CLASS 1 DEVELOPMENT OF 3,300 MU OF LAND IN BEIJING**

**AND**

### **CHANGE OF PROPOSED USE OF PROCEEDS**

Reference was made to the Acquisition Announcement and the Placing Announcement.

The Board wishes to announce the termination of the proposed acquisition of 95% interest in the PRC Company concerning the possible involvement in class 1 development of 3,300 mu of land in Beijing as described under the Acquisition Announcement.

The Board also wishes to announce the change of the proposed use of proceeds as described in the Placing Announcement.

Reference was made to the announcement of the Company dated 14 June 2007 (the “**Acquisition Announcement**”) in relation to the proposed acquisition of 95% interest in the PRC Company concerning possible involvement in class 1 development of 3,300 mu of land in Beijing and the announcement of the Company dated 25 June 2007 (the “**Placing Announcement**”) in relation to the proposed top-up placing of existing shares and top-up subscription for new shares. Unless otherwise defined, capitalised terms used herein shall have the same meanings as ascribed to them in the Acquisition Announcement and the Placing Announcement.

\* *For identification purpose only*

## **Termination of the Proposed Acquisition of 95% Interest in the PRC Company Concerning Possible Involvement in Class 1 Development of 3,300 Mu of Land in Beijing**

Pursuant to the sale and purchase agreement dated 12 June 2007 entered into between Anex and Mr. Li for the acquisition of the PRC Company (the “**Acquisition Agreement**”), Anex has agreed to purchase the Sale Interest, representing 95% of the equity interest of the PRC Company, subject to, inter alia, the condition that Anex is satisfied with the due diligence results of the PRC Company. It was contemplated that upon completion of the Acquisition, Anex would, through the PRC Company, acquire 52% interest in Beijing Jinji which would possibly involve in class 1 development of the Land. However, upon the due diligence undertaken by Anex in relation to the PRC Company, Anex was informed by the PRC lawyer that Beijing Jinji has terminated further negotiation with the Resident Committees on the proposed participation in the class 1 development of the Land on 15 August 2007 as Beijing Jinji could not reach further agreement on the detailed implementation terms of the Development and Construction Agreement proposed by the Resident Committees and Beijing City Changping District Beijijiazhen county government (being the supervising authority of the Resident Committees). As a result, Anex has given notice (the “**Termination Notice**”) to Mr. Li on 20 August 2007 for its decision to terminate the Acquisition Agreement with immediate effect. There was no deposit paid for the proposed acquisition by Anex. The Company was advised by its PRC lawyer that upon serving the Termination Notice to Mr. Li, Anex has been fully released from any liability towards Mr. Li under the Acquisition Agreement. In light of the above, the Directors consider that it is in the interests of the Company and its shareholders as a whole to terminate the Acquisition Agreement.

### **Change of Proposed Use of Proceeds**

As mentioned in the Placing Announcement, the net proceeds of about HK\$70 million out of the total of HK\$148.7 million from the top-up Subscription were intended for application towards financing the class 1 development of 3,300 mu of land in Beijing and as to approximately HK\$78.7 million for application towards general working capital. As the Acquisition will no longer proceed, the Company intends to apply all the net proceeds of about HK\$148.7 million from the top-up Subscription for the general working capital requirements of the Group.

By order of the Board  
**Anex International Holdings Limited**  
**Cheng Tun Nei**  
*Chairman*

Hong Kong, 23 August 2007

*As at the date of this announcement, the Directors of the Company are as follows:*

*Executive Directors:*

Mr. Cheng Tun Nei (*Chairman*)  
Mr. Kwok Hon Lam (*Vice-Chairman*)  
Dr. Siu Miu Man (*Chief Executive Officer*)  
Mr. Kwok Chi Hang, Peter  
Mr. Cheng Tze Kit, Larry

*Independent non-executive Directors:*

Mr. Chan Sun Kwong  
Mr. Chow Nim Sun, Nelson  
Mr. Lam Kwok Cheong

*Non-executive Director:*

Mr. Yeung Chee Tat