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BEP INTERNATIONAL HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 2326)

VOLUNTARY ANNOUNCEMENT DISPOSAL OF SUBSIDIARIES

The Board announces that on 30 July 2010, the Company disposed of the Sale Shares to the Purchaser, being a company indirect beneficially and wholly owned by Mr. Suen (the Chairman and Executive Director of the Company and is the ultimate beneficial owner of the controlling Shareholder), for a nominal consideration of HK\$1.00. Immediately before Completion, the Company also waived an amount of approximately HK\$243,000 due from BEPCL to the Company.

As the Purchaser is a connected person, the Disposal constitutes a connected transaction for the Company under the Listing Rules. Given that all of the applicable percentage ratios for the Disposal are less than 0.1%, the Disposal is a de minimis transaction which is exempted from the reporting, annual review, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Trading in the Shares has been suspended at the request of the Company since 9:30 a.m. on 20 October 2008 and will remain suspended until further announcement.

THE DISPOSAL

On 30 July 2010, the Company disposed of the Sale Shares to the Purchaser, being a company indirect beneficially and wholly owned by Mr. Suen (the Chairman and Executive Director of the Company and is the ultimate beneficial owner of the controlling Shareholder), for a nominal consideration of HK\$1.00. Immediately before Completion, the Company also waived an amount of approximately HK\$243,000 due from BEPCL to the Company. Completion took place on the date of this announcement.

INFORMATION ON THE DISPOSED GROUP

BEPCL is a company incorporated in the British Virgin Islands on 4 January 1999 with limited liability and is wholly and beneficially owned by the Company. BEPCL is an investment holding company. The principal asset of BEPCL is its direct and indirect holding of the entire equity interest in BEP (China), BEP (HK) and BEPCM. As control over BEP (China), BEP (HK) and BEPCM were lost, the financial results of BEP (China), BEP (HK) and BEPCM have been deconsolidated from the consolidated financial statements of the Group and the amount of investments in BEP (China), BEP (HK) and BEPCM have been fully impaired in the audited consolidated financial statements of the Company for the year ended 31 March 2010. Based on the unaudited management accounts of BEPCL, the unaudited loss before and after taxation for the year ended 31 March 2010 were approximately HK\$156,000 and approximately HK\$134,000 respectively and the unaudited loss before and after taxation for the three months period ended 30 June 2010 were both approximately HK\$7,000. As at 30 June 2010, the unaudited net liabilities of BEPCL were approximately HK\$243,000 which represented the amount due from BEPCL to the Company and BEPCL had no assets on that date.

BEP (China) is a limited liability company incorporated in the PRC on 26 March 2001 and is wholly owned by BEPCL. On 17 October 2008, the Company announced that the Company would cease operations of BEP (China) which was principally engaged in manufacturing of home electrical appliances from 20 October 2008. After the former Directors resolved to cease the operations of BEP (China), the premises of BEP (China) and the assets and accounting books and records inside were sealed by 深圳寶安區人民法院 (the “Baoan People’s Court”). On 30 April 2009, the Baoan People’s Court arranged an auction of the sealed assets of BEP (China) through 深圳市安達拍賣行有限公司 (literally translated as Shenzhen Anda Auction Company Limited), an auction company in Shenzhen. The auction was concluded at a sum of approximately RMB23,000,000 (approximately HK\$26,381,000). On 30 November 2009, the Baoan People’s Court arranged another auction of the sealed moulds and a motor vehicle of BEP (China) through 深圳市聯合拍賣有限責任公司 (literally translated as Shenzhen United Auction Company Limited), an auction company in Shenzhen. The auction was concluded at a sum of approximately RMB904,000 (approximately HK\$1,037,000). Up to the date of this announcement, to the best knowledge of the Directors, BEP (China) received claims from a number of suppliers and employees together with reimbursement to the local government of an aggregate amount of approximately RMB33,629,000 (approximately HK\$38,572,000). As the aggregate claim amounts exceeded the proceeds from the auctions, the Directors are of the view that the Group will not receive any distribution of proceeds from the auctions or any distribution of assets upon the contemplated winding up of BEP (China). As mentioned in the 2010 annual report of the Company, all claims have either been settled through court mediation or are in the court proceedings. However, as the premises of BEP (China) have been withheld by the Baoan People’s Court, there is a possibility that new claims might be made against BEP (China) for which the Group has no knowledge. With the advice from a legal adviser, the Directors are of the opinion that BEP (China) will be liable for its own debts and liabilities as it is a company established in the PRC with limited liability. The Group has no legal obligation to pay the alleged debts and interest.

BEP (HK) is a company incorporated in Hong Kong on 15 September 2000 with limited liability and is wholly owned by BEPCL. BEP (HK) was principally engaged in design, manufacture and sale of home electrical appliances. In view of the insolvency of BEP (HK), BDO Financial Services Limited has been appointed as liquidator of BEP (HK). Based on the statement of affairs of BEP (HK) presented in the creditors' meeting on 7 April 2009, the estimated assets and estimated liabilities of BEP (HK) were approximately HK\$4,220,000 and approximately HK\$81,874,000 respectively. As such, the Directors are of the view that the Group will not receive any distribution upon winding up of BEP (HK). Up to the date of this announcement, to the best knowledge of the Directors, BEP (HK) received claims from creditors of an aggregate amount of approximately HK\$22,252,000. As BEP (HK) has appointed BDO Financial Services Limited as liquidator and is in the process of winding up, there is a possibility that new claims might be made against BEP (HK) for which the Group has no knowledge. As BEP (HK) is a limited liability company incorporated in Hong Kong, the Directors are of the opinion that the Group has no legal obligation to pay the alleged debts and interest.

BEPCM is a company incorporated in Hong Kong on 7 December 2007 with limited liability and is wholly owned by BEP (HK). BEPCM is established mainly for the provision of management services. In view of the insolvency of BEPCM, BDO Financial Services Limited has been appointed as liquidator of BEPCM. Based on the statement of affairs of BEPCM presented in the creditors' meeting on 7 April 2009, the estimated assets and estimated liabilities of BEPCM were approximately HK\$7,000 and approximately HK\$3,120,000 respectively. As such, the Directors are of the view that the Group will not receive any distribution upon winding up of BEPCM. BEPCM is in its final stage of winding up. The final general meeting of creditors of BEPCM was held on 23 June 2010. The Final Return, the notification of liquidator ceasing to act and other related documents have been filed with the Companies Registry by the liquidator and BEPCM will be dissolved at the expiration of three months from the filing of Final Return and related documents.

FINANCIAL EFFECTS OF THE DISPOSAL

Based on the unaudited net liabilities of BEPCL of approximately HK\$243,000 as at 30 June 2010, the unaudited net liabilities of BEPCL has become zero as the Company has waived an amount of approximately HK\$243,000 due from BEPCL to the Company immediately before Completion (for which an impairment loss of the same amount has been recognized in the audited consolidated financial statements of the Company for the year ended 31 March 2010). Since the consideration for the Disposal is HK\$1.00, the Disposal has recorded a gain of HK\$1.00 upon Completion. The nominal proceeds from the Disposal will be retained as internal resources of the Group.

REASONS FOR THE DISPOSAL

The principal business activity of the Company is investment holding. The principal business activities of its subsidiaries include sale of home electrical appliances, electronic products and related plastic injection components; distribution and sale of electronic consumer products and sourcing and sale of computers and related products.

As mentioned above, the members of the Disposed Group are either in insolvency position or in the process of being wound up. The Disposal will not have any material impact on the continuing operations of the Group after Completion. In light of the facts that:

- (i) control over BEP (China), BEP (HK) and BEPCM were lost. The financial results of BEP (China) has been deconsolidated from the consolidated financial statements of the Group since 26 October 2008. The financial results of BEP (HK) and BEPCM have been deconsolidated from the consolidated financial statements of the Group since 27 March 2009;
- (ii) any recovery or distribution from the Disposed Group is unlikely;
- (iii) the Group will have to bear the administration costs and legal expenses to be further incurred in relation to the Disposed Group;
- (iv) the audit qualifications relating to loss on deconsolidation of a subsidiary and gain on winding up of subsidiaries as stated in the annual report for the year ended 31 March 2010 will not be reported in the financial year immediately after the financial year when the Disposal is completed; and
- (v) the Disposal serves as a corporate reorganization for the purpose of implementing the revised resumption proposal which is to be submitted to the Stock Exchange for the purpose of applying for resumption of trading of the Shares,

the Directors (including the Independent Non-executive Directors) consider that the terms of the Disposal are fair and reasonable and the Disposal is in the interest of the Company and the Shareholders as a whole.

GENERAL

As the Purchaser is a connected person, the Disposal constitutes a connected transaction for the Company under the Listing Rules. Given that all of the applicable percentage ratios for the Disposal are less than 0.1%, the Disposal is a de minimis transaction which is exempted from the reporting, annual review, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Trading in the Shares has been suspended at the request of the Company since 9:30 a.m. on 20 October 2008 and will remain suspended until further announcement.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the following meanings when used herein:

“BEP (China)”	百靈達實業(深圳)有限公司 (literally translated as Bailingda Industrial (Shenzhen) Company Limited), a company incorporated in the PRC with limited liability
“BEP (HK)”	Better Electrical Products (HK) Company Limited, a company incorporated in Hong Kong with limited liability
“BEPCL”	Better Electrical Products Company Limited, a company incorporated in the British Virgin Islands with limited liability
“BEPCM”	BEP Corporate Management Limited, a company incorporated in Hong Kong with limited liability
“Board”	the board of Directors
“Company”	BEP International Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange
“Completion”	completion of the sale and purchase of the Sale Shares
“connected person(s)”	has the meaning ascribed thereto in the Listing Rules
“Directors”	directors of the Company
“Disposal”	the disposal of the Sale Shares by the Company to the Purchaser
“Disposed Group”	BEPCL and its subsidiaries
“Final Return”	the return of final general meetings of members and creditors of BEPCM
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Suen”	Mr. Suen Cho Hung, Paul, being the Chairman and Executive Director of the Company and is the ultimate beneficial owner of the controlling Shareholder
“PRC”	the People’s Republic of China and for the sole purpose of this announcement shall exclude Hong Kong, Macau Special Administrative Region and Taiwan
“Purchaser”	Hugh Famous Limited, a company incorporated in the British Virgin Islands with limited liability and is indirect beneficially and wholly owned by Mr. Suen
“Sale Shares”	50,000 shares of US\$1.00 per share, being the entire issued share capital of BEPCL
“Share(s)”	existing ordinary share(s) of HK\$0.0005 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars
“RMB”	Renminbi, the lawful currency of the PRC

For the purpose of this announcement, all amounts in RMB are translated into HK\$ at an exchange rate of RMB1: HK\$1.147.

By Order of the Board
BEP International Holdings Limited
Sue Ka Lok
Chief Executive Officer

Hong Kong, 30 July 2010

As at the date of this announcement, the Board comprises four Executive Directors, namely Mr. Suen Cho Hung, Paul (Chairman), Mr. Sue Ka Lok (Chief Executive Officer), Mr. Li Hiu Ming and Mr. Poon Hor On and three Independent Non-executive Directors, namely Mr. Siu Hi Lam, Alick, Mr. Chan Kwong Fat, George and Mr. To Yan Ming, Edmond.