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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)



英皇鐘錶珠寶有限公司
EMPEROR WATCH & JEWELLERY LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code : 887)

CONTINUING CONNECTED TRANSACTIONS

On 30 March 2010 the boards of directors of EIHL and EWJ announce that Very Sound entered into the First Tenancy Agreement and Second Tenancy Agreement with Beauty Royal in relation to the tenancies of the First Property and Second Property.

Very Sound is an indirectly wholly-owned subsidiary of EIHL. Beauty Royal is an indirectly wholly-owned subsidiary of EWJ. EIHL and EWJ are indirectly owned as to 69.80% and 64.94% respectively by the AY Trust, a discretionary trust set up by Dr. Albert Yeung, a deemed substantial shareholder of EIHL and EWJ. As such, Beauty Royal is a connected person of EIHL and Very Sound is a connected person of EWJ under Chapter 14A of the Listing Rules. Accordingly, the First Tenancy Agreement and Second Tenancy Agreement constitute continuing connected transactions for both of EIHL and EWJ.

As the applicable percentage ratios calculated with reference to the Aggregate Annual Cap of both EIHL and EWJ is more than 0.1% but less than 2.5% under Rule 14A.34 of the Listing Rules, the First Tenancy Agreement and Second Tenancy Agreement and the Aggregate Annual Caps of both EIHL and EWJ are subject to the reporting and announcement requirements set out in Rules 14A.45 to 14A.47 of the Listing Rules and exempt from the approval of independent shareholders in accordance with Rule 14A.34 of the Listing Rules.

The boards of directors of EIHL and EWJ announce that on 30 March 2010, Very Sound entered into the First Tenancy Agreement and Second Tenancy Agreement with Beauty Royal in relation to the tenancies of the First Property and Second Property.

FIRST TENANCY AGREEMENT DATED 30 MARCH 2010

Landlord: Very Sound

Tenant: Beauty Royal

Property: Shops G03-05, Ground Floor, Emperor Group Centre, 288 Hennessy Road, Wanchai, Hong Kong with gross floor area of 4,814 sq. ft.

Usage: for the operation of retail shop

Term: 3 years commencing from 1 April 2010 to 31 March 2013 (both days inclusive)

Rent: HK\$420,000 per month, exclusive of rates, management fees and all other outgoings, payable monthly in advance

Deposit: HK\$1,352,264.70 which is equivalent to three months' rent, management fee and rates

SECOND TENANCY AGREEMENT DATED 30 MARCH 2010

Landlord: Very Sound

Tenant: Beauty Royal

Premises: Unit 2501-05, 25/F., Emperor Group Centre, 288 Hennessy Road, Wanchai, Hong Kong with gross floor area of 7,288 sq. ft.

Usage: for office

Term: 3 years commencing from 1 April 2010 to 31 March 2013 (both days inclusive)

Rent: HK\$182,200 per month, exclusive of rates, management fees and all other outgoings, payable monthly in advance

Deposit: HK\$664,817.78 which is equivalent to three months' rent, management fee and rates

AGGREGATE ANNUAL CAP OF THE TENANCY AGREEMENTS

The Aggregate Annual Cap of EIHL for the First Tenancy Agreement and the Second Tenancy Agreement (which are aggregated under Rule 14A.25 of the Listing Rules) based on the total annual rental receivable under the First Tenancy Agreement and the Second Tenancy Agreement for each of the years ending 31 March 2011, 2012 and 2013, will be as follows:

	2011	2012	2013
	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>
First Tenancy Agreement	5,040,000	5,040,000	5,040,000
Second Tenancy Agreement	2,186,400	2,186,400	2,186,400
Total	<u>7,226,400</u>	<u>7,226,400</u>	<u>7,226,400</u>

The Aggregate Annual Cap of EWJ for the First Tenancy Agreement and the Second Tenancy Agreement (which are aggregated under Rule 14A.25 of the Listing Rules) based on the total annual rental payable under the First Tenancy Agreement and the Second Tenancy Agreement for each of the years ending 31 December 2010, 2011, 2012 and 2013, will be as follows:

	2010	2011	2012	2013
	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>
First Tenancy Agreement	3,780,000	5,040,000	5,040,000	1,260,000
Second Tenancy Agreement	1,639,800	2,186,400	2,186,400	546,600
Total	<u>5,419,800</u>	<u>7,226,400</u>	<u>7,226,400</u>	<u>1,806,600</u>

REASONS AND BENEFITS FOR THE TENANCY AGREEMENTS

EIHL is an investment holding company and its subsidiaries are principally engaged in property development and investment, and hotel operation. The Property is held by EIHL as investment property for rental income.

EWJ is an investment holding company principally engaged in the sales of luxurious branded watches, and the design and sales of jewellery products in Hong Kong, Macau and the PRC.

The terms of the First Tenancy Agreement and the Second Tenancy Agreement are arrived at after arm's length negotiation and are on normal commercial terms. The rentals of the First Tenancy Agreement and the Second Tenancy Agreement were determined by reference to the prevailing market rent of similar properties in the nearby locations. The directors of both EIHL and EWJ consider that the First Tenancy Agreement and the Second Tenancy Agreement are on normal commercial terms, in the normal course of business, fair and reasonable and in the interests both of EIHL and EWJ and their respective shareholders as a whole.

GENERAL

Very Sound is an indirect wholly-owned subsidiary of EIHL and principally engaged in property investment. Beauty Royal is an indirect wholly-owned subsidiary of EWJ and principally engaged in the provision of nominee and group agent services for EWJ and its subsidiaries.

EIHL and EWJ are indirectly owned as to 69.80% and 64.94% respectively by the AY Trust, a discretionary trust set up by Dr. Albert Yeung, a deemed substantial shareholder of EIHL and EWJ. As such, Beauty Royal is a connected person of EIHL and Very Sound is a connected person of EWJ under Chapter 14A of the Listing Rules. Accordingly, the First Tenancy Agreement and the Second Tenancy Agreement constitute continuing connected transactions for both of EIHL and EWJ.

As the applicable percentage ratios calculated with reference to the Aggregate Annual Cap of both EIHL and EWJ is more than 0.1% but less than 2.5% under Rule 14A.34 of the Listing Rules, the First Tenancy Agreement and Second Tenancy Agreement and the Aggregate Annual Caps of both EIHL and EWJ are subject to the reporting and announcement requirements set out in Rules 14A.45 to 14A.47 of the Listing Rules and exempt from the approval of independent shareholders in accordance with Rule 14A.34 of the Listing Rules.

TERMS USED IN THIS ANNOUNCEMENT

“Aggregate Annual Cap of EIHL” the maximum amount of effective rental receivable under the First Tenancy Agreement and the Second Tenancy Agreement, based on the total annual effective rental receivable under the First Tenancy Agreement and the Second Tenancy Agreement for each of the years ending 31 March 2011, 2012 and 2013

“Aggregate Annual Cap of EWJ” the maximum amount of effective rental payable under the First Tenancy Agreement and the Second Tenancy Agreement, based on the total annual effective rental payable under the First Tenancy Agreement and the Second Tenancy Agreement for each of the years ending 31 December 2010, 2011, 2012 and 2013

“AY Trust”	The Albert Yeung Discretionary Trust, a discretionary trust set up by Dr. Albert Yeung
“Beauty Royal”	Beauty Royal Limited, a company incorporated in Hong Kong and an indirect wholly-owned subsidiary of EWJ and principally engaged in the provision of tenancy agreement signing services to EWJ and its subsidiaries
“Dr. Albert Yeung”	Dr. Yeung Sau Shing, Albert
“EIHL”	Emperor International Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange
“EWJ”	Emperor Watch & Jewellery Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Stock Exchange
“First Property”	Shops G03-05, Ground Floor, Emperor Group Centre, 288 Hennessy Road, Wanchai, Hong Kong with gross floor area of 4,814 sq. ft.
“First Tenancy Agreement”	a tenancy agreement dated 30 March 2010 entered into between Very Sound and Beauty Royal in relation to the tenancy of the First Property
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	The People’s Republic of China
“Second Property”	Unit 2501-05, 25/F., Emperor Group Centre, 288 Hennessy Road, Wanchai, Hong Kong with gross floor area of 7,288 sq. ft.
“Second Tenancy Agreement”	a tenancy agreement dated 30 March 2010 entered into between Very Sound and Beauty Royal in relation to the tenancy of the Second Property
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Tenancy Agreements”	the First Tenancy Agreement and the Second Tenancy Agreement
“Very Sound”	Very Sound Investments Limited, a company incorporated in Hong Kong and an indirect wholly-owned subsidiary of EIHL and principally engaged in property investment
“HK\$”	Hong Kong dollars
“sq. ft.”	square feet
“%”	per cent

By order of the board
Emperor International Holdings Limited
Luk Siu Man Semon
Chairperson

By order of the board
Emperor Watch & Jewellery Limited
Cindy Yeung
Executive Director

Hong Kong, 30 March, 2010

As at the date hereof, the board of directors of EIHL comprised:

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 EWJ comprised:

Executive Directors: Ms. Cindy Yeung
Mr. Chan Hung Ming
Mr. Wong Chi Fai
Ms. Fan Man Seung, Vanessa

Independent Non-Executive Directors: Ms. Yip Kam Man
Mr. Chan Hon Piu
Ms. Lai Ka Fung, May

* *for identification purposes only*