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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

The boards of directors of EIHL and EWJ announce that upon completion of the Acquisition on 15 March 2011, Total Treasure became the new landlord of the First Property, the Second Property and the Third Property, those of which are currently leased to Perfect Perform under the Tenancy Agreement, the First Licence Agreement and the Second Licence Agreement respectively.

Total Treasure is an indirect wholly-owned subsidiary of EIHL. Perfect Perform is an indirect wholly-owned subsidiary of EWJ. EIHL and EWJ are indirect owned as to 68.22% and 59.32% respectively by the AY Trust, a discretionary trust set up by Dr. Albert Yeung, a deemed substantial shareholder of EIHL and EWJ. As such, Perfect Perform is a connected person of EIHL and Total Treasure is a connected person of EWJ under Chapter 14A of the Listing Rules. Accordingly, the Tenancy Agreement, the First Licence Agreement and the Second Licence Agreement became continuing connected transactions for both of EIHL and EWJ after completion of the Acquisition.

As the applicable percentage ratios calculated with reference to the Aggregate Annual Caps of both EIHL and EWJ are more than 0.1% but less than 5% under Rule 14A.34 of the Listing Rules, the Tenancy Agreement, the First Licence Agreement, the Second Licence 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 upon completion of the Acquisition on 15 March 2011, Total Treasure became the new landlord of the First Property, the Second Property and the Third Property, those of which are currently leased to Perfect Perform under the Tenancy Agreement, the First Licence Agreement and the Second Licence Agreement respectively.

TENANCY AGREEMENT DATED 20 JULY 2010

New Landlord: Total Treasure (became the new landlord after completion of the Acquisition)

Tenant: Perfect Perform

Property: Tenement A on the 3rd Floor, No. 4 Canton Road, Kowloon, Hong Kong with gross floor area of approximately 678 sq. ft.

Usage: for storage

Term: 2 years commencing from 1 August 2010 to 31 July 2012 (both days inclusive)

Rent: HK\$12,000 per month, inclusive of rates, rent, and management fee

Deposit: HK\$24,000 which is equivalent to two months' rental

FIRST LICENCE AGREEMENT DATED 20 JULY 2010

New Landlord: Total Treasure (became the new landlord after completion of the Acquisition)

Tenant: Perfect Perform

Premises: the external signage space at the external wall of 3/F., Tenement A, No.4 Canton Road, Kowloon, Hong Kong

Usage: for advertising

Term: 2 years commencing from 1 August 2010 to 31 July 2012 (both days inclusive)

Rent: HK\$24,000 per month, inclusive of rates, management fee and electricity charge

Deposit: HK\$48,000 which is equivalent to two months' rental

SECOND LICENCE AGREEMENT DATED 20 JULY 2010

New Landlord:	Total Treasure (became the new landlord after completion of the Acquisition)
Tenant:	Perfect Perform
Premises:	the projected signage space at the external wall of 3/F., Tenement A, No.4 Canton Road, Kowloon, Hong Kong
Usage:	for advertising
Term:	2 years commencing from 1 August 2010 to 31 July 2012 (both days inclusive)
Rent:	HK\$20,000 per month, inclusive of rates, management fee and electricity charge
Deposit:	HK\$40,000 which is equivalent to two months' rental

AGGREGATE ANNUAL CAP OF THE AGREEMENTS

The Aggregate Annual Cap of EIHL for the Agreements (which are aggregated under Rule 14A.25 of the Listing Rules) based on the total annual rental receivable under the Agreements for each of the years ending 31 March 2011, 2012, 2013 and 2014 will be as follows:

	2011	2012	2013	2014
	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>
Tenancy Agreement	6,200	144,000	48,000	–
First Licence Agreement	12,400	288,000	96,000	–
Second Licence Agreement	10,400	240,000	80,000	–
First Previous Tenancy Agreement	168,000	288,000	120,000	–
Second Previous Tenancy Agreement	136,000	233,000	233,000	49,000
Third Previous Tenancy Agreement	1,680,000	2,880,000	2,880,000	600,000
Fourth Previous Tenancy Agreement	67,200	115,200	115,200	24,000
Fifth Previous Tenancy Agreement	7,600,000	7,600,000	640,000	–
Sixth Previous Tenancy Agreement	17,040,000	17,160,000	5,720,000	–
Total	<u>26,720,200</u>	<u>28,948,200</u>	<u>9,932,200</u>	<u>673,000</u>

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

	2011 <i>HK\$</i>	2012 <i>HK\$</i>	2013 <i>HK\$</i>
Tenancy Agreement	114,200	84,000	–
First Licence Agreement	228,400	168,000	–
Second Licence Agreement	190,400	140,000	–
First Previous Tenancy Agreement	288,000	192,000	–
Second Previous Tenancy Agreement	233,000	233,000	110,000
Third Previous Tenancy Agreement	2,880,000	2,880,000	1,320,000
Fourth Previous Tenancy Agreement	115,200	115,200	52,800
Fifth Previous Tenancy Agreement	7,600,000	2,600,000	–
Sixth Previous Tenancy Agreement	17,160,000	10,010,000	–
Total	<u>28,809,200</u>	<u>16,422,200</u>	<u>1,482,800</u>

REASONS AND BENEFITS FOR THE 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.

After completion of the Acquisition, EIHL intends to hold the Properties as investment properties for rental income while EWJ continues to rent the Properties for storage and advertising. The directors of both EIHL and EWJ considered that the Tenancy Agreement, the First Licence Agreement and the Second Licence 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

Total Treasure is an indirect wholly-owned subsidiary of EIHL and principally engaged in property investment. Perfect Perform 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 68.22% and 59.32% respectively by the AY Trust, a discretionary trust set up by Dr. Albert Yeung, a deemed substantial shareholder of EIHL and EWJ. As such, Perfect Perform is a connected person of EIHL and Total Treasure is a connected person of EWJ under Chapter 14A of the Listing Rules. Accordingly, the Tenancy Agreement, the First Licence Agreement and the Second Licence Agreement become continuing connected transactions for both of EIHL and EWJ upon completion of the Acquisition.

As the applicable percentage ratios calculated with reference to the Aggregate Annual Caps of both EIHL and EWJ are more than 0.1% but less than 5% under Rule 14A.34 of the Listing Rules, the Tenancy Agreement, the First Licence Agreement, the Second Licence 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

Acquisition”	the acquisition of the First Property, the Second Property and the Third Property by Total Treasure pursuant to an agreement dated 26 January 2011 entered into with an independent third party of EIHL
“Aggregate Annual Cap of EIHL”	the maximum amount of effective rental receivable under the Agreements, based on the total annual rental receivable under the Agreements for each of the years ending 31 March 2011, 2012, 2013 and 2014
“Aggregate Annual Cap of EWJ”	the maximum amount of effective rental payable under the Agreements, based on the total annual rental payable under the Agreements for each of the years ending 31 December 2011, 2012 and 2013

“Agreements”	the Tenancy Agreement, the First Licence Agreement, the Second Licence Agreement, the First Previous Tenancy Agreement, the Second Previous Tenancy Agreement, the Third Previous Tenancy Agreement, the Fourth Previous Tenancy Agreement, the Fifth Previous Tenancy Agreement and the Sixth Previous Tenancy Agreement
“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
“Fifth Previous Tenancy Agreement”	a tenancy agreement dated 31 March 2009 entered into between Gold Pleasure and Beauty Royal in relation to the tenancy of G/F., 4 Canton Road, Kowloon, Hong Kong with gross floor area of 828 sq. ft. with details set out in the joint announcement of EIHL and EWJ dated 3 April 2009
“First Licence Agreement”	a licence agreement dated 20 July 2010 entered into by Perfect Perform in relation to the tenancy of the First Property (Total Treasure became the new landlord upon completion of the Acquisition)
“First Property”	Tenement A, 3rd Floor, No. 4 Canton Road, Kowloon, Hong Kong

“First Previous Tenancy Agreement”	a tenancy agreement dated 31 August 2010 entered into between Gold Pleasure and Beauty Royal in relation to the tenancy of the advertising signage space at the external wall of Tenement A, 4/F., 4 Canton Road, Kowloon, Hong Kong with details set out in the joint announcement of EIHL and EWJ dated 31 August 2010
“Fourth Previous Tenancy Agreement”	a tenancy agreement dated 13 May 2008 entered by Moral Step in relation to the tenancy of the Store Room on Ground Floor, No. 4 Canton Road, Kowloon, Hong Kong with gross floor area of 90 sq. ft. (Gold Pleasure became the landlord since 31 August 2010) with details set out in the joint announcement of EIHL and EWJ dated 31 August 2010
“Gold Pleasure”	Gold Pleasure Investment Limited, a company incorporated in Hong Kong and an indirect wholly-owned subsidiary of EIHL and principally engaged in property investment
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Moral Step”	Moral Step Limited, a company incorporated in Hong Kong and an indirect wholly-owned subsidiary of EWJ and principally engaged in the provision of group agent services for EWJ and its subsidiaries
“Perfect Perform”	Perfect Perform Limited, a company incorporated in Hong Kong and an indirect wholly-owned subsidiary of EWJ and principally engaged in the provision of group agent services for EWJ and its subsidiaries
“PRC”	The People’s Republic of China
“Second Licence Agreement”	a licence agreement dated 20 July 2010 entered into by Perfect Perform in relation to the tenancy of the Second Property (Total Treasure became the new landlord upon completion of the Acquisition)
“Second Property”	the external signage space at the external wall of 3/F., Tenement A, No.4 Canton Road, Kowloon, Hong Kong

“Second Previous Tenancy Agreement”	a tenancy agreement dated 31 August 2010 entered into between Gold Pleasure and Beauty Royal in relation to the tenancy of the Portion A of the 1st Floor, No. 4 Canton Road, Kowloon, Hong Kong with gross floor area of 358 sq. ft. (Gold Pleasure became the landlord since 31 August 2010) with details set out in the joint announcement of EIHL and EWJ dated 31 August 2010
“Sixth Previous Tenancy Agreement”	the tenancy agreement dated 8 August 2008 and Addendum dated 27 May 2009 entered into between Snowland Limited (Gold Pleasure became the new landlord since 30 March 2010) and Perfect Perform in relation to the tenancy of Ground Floor, Nos. 6 & 8 Canton Road, Kowloon, Hong Kong and having a total gross floor area of approximately 1,336 sq. ft. with details please set out in the joint announcement of EIHL and EWJ dated 22 December 2009
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tenancy Agreement”	a tenancy agreement dated 20 July 2010 entered into by Perfect Perform in relation to the tenancy of the First Property (Total Treasure became the new landlord after completion of the Acquisition)
“Third Property”	the projected signage space at the external wall of 3/F., Tenement A, No.4 Canton Road, Kowloon, Hong Kong
“Third Previous Tenancy Agreement”	a tenancy agreement dated 15 June 2007 entered into by Moral Step in relation to the tenancy of the Portion of the whole of 1st Floor, No. 4 Canton Road, Kowloon, Hong Kong with gross floor area of 1,806 sq. ft. (Gold Pleasure became the landlord since 31 August 2010) with details set out in the joint announcement of EIHL and EWJ dated 31 August 2010
“Total Treasure”	Total Treasure Investment 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
Managing Director

Hong Kong, 16 March 2011

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 (*Managing Director*)
Mr. Chan Hung Ming
Mr. Wong Chi Fai
Ms. Fan Man Seung, Vanessa

Non-Executive Director: Mr. Hanji Huang

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

* *for identification purposes only*