

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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 TRANSACTION

The boards of directors of EIHL and EWJ announce that on 31 March 2011, Great Future entered into the Tenancy Agreement with Beauty Royal in relation to the tenancy of the Property.

Great Future is an indirect wholly-owned subsidiary of EIHL. Beauty Royal is an indirect wholly-owned subsidiary of EWJ. EIHL and EWJ are indirectly owned as to 69.08% 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, Beauty Royal is a connected person of EIHL and Great Future is a connected person of EWJ under Chapter 14A of the Listing Rules. Accordingly, the Tenancy Agreement constitutes a continuing connected transaction for both of EIHL and EWJ.

As the applicable percentage ratios relevant to the Tenancy Agreement are calculated with reference to the Annual Caps of both EIHL and EWJ is more than 0.1% but less than 5% under Rule 14A.34 of the Listing Rules, the transaction under the Tenancy Agreement is subject to the reporting and announcement requirements set out in Rules 14A.45 to 14A.47 of the Listing Rules but exempt from the approval of independent shareholders in accordance with Rule 14A.34 of the Listing Rules for both EIHL and EWJ.

The boards of directors of EIHL and EWJ announce that on 31 March 2011, Great Future entered into the Tenancy Agreement with Beauty Royal in relation to the tenancy of the Property.

TENANCY AGREEMENT DATED 31 MARCH 2011

Landlord: Great Future

Tenant: Beauty Royal

Premises: Shop A, D2 & E2 on Ground Floor, Harilea Mansion, 81 Nathan Road, Hong Kong with gross floor area of 3,061 sq. ft.

Usage:	for retail shop
Term:	from 1 April 2011 to 31 March 2014 (both days inclusive)
Rent:	HK\$1,050,000 per month, exclusive of rates, management fees and all other outgoings, payable monthly in advance
Deposit:	HK\$3,209,910 which is equivalent to three months' rent, management fee and rates

ANNUAL CAP OF THE TENANCY AGREEMENT

The Annual Cap of EIHL for the Tenancy Agreement based on the total annual rental receivable under the Tenancy Agreement for each of the years ending 31 March 2012, 2013 and 2014 will be as follows:

	2012	2013	2014
	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>
Tenancy Agreement	12,600,000	12,600,000	12,600,000

The Annual Cap of EWJ for the Tenancy Agreement based on the total annual rental payable under the Tenancy Agreement for each of the years ending 31 December 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	9,450,000	12,600,000	12,600,000	3,150,000

REASONS AND BENEFITS FOR THE TENANCY AGREEMENT

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 and its subsidiaries are 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 Tenancy Agreement are arrived at after arm's length negotiation and are on normal commercial terms. The rental of the Tenancy Agreement was determined with reference to the prevailing market rent of similar properties in the nearby locations. The directors of both EIHL and EWJ (including the respective independent non-executive directors but excluding Ms. Luk Siu Man, Semon, a non-executive director and the Chairperson of EIHL, and Ms. Cindy Yeung, the Managing Director of EWJ, who had to and did abstain from voting at the respective board meeting held on 30 March 2011 and 22 March 2011 in view of their material interests in the transaction by virtue of being the spouse of Dr. Albert Yeung and being one of the eligible beneficiaries of the AY Trust respectively) consider that the Tenancy Agreement is 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

Great Future 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 69.08% 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, Beauty Royal is a connected person of EIHL and Great Future is a connected person of EWJ under Chapter 14A of the Listing Rules. Accordingly, the Tenancy Agreement constitutes a continuing connected transaction for both of EIHL and EWJ.

As the applicable percentage ratios relevant to the Tenancy Agreement and calculated with reference to the 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 transaction under the Tenancy Agreement is subject to the reporting and announcement requirements set out in Rules 14A.45 to 14A.47 of the Listing Rules but exempt from the approval of independent shareholders in accordance with Rule 14A.34 of the Listing Rules for both EIHL and EWJ.

TERMS USED IN THIS ANNOUNCEMENT

“Annual Cap of EIHL”	the maximum amount of rental receivable under the Tenancy Agreement based on the total annual rental receivable under the Tenancy Agreement for each of the years ending 31 March 2012, 2013 and 2014
“Annual Cap of EWJ”	the maximum amount of rental payable under the Tenancy Agreement based on the total annual rental payable under the Tenancy Agreement for each of the years ending 31 December 2011, 2012, 2013 and 2014
“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
“Dr. Albert Yeung”	Dr. Yeung Sau Shing, Albert
“EIHL”	Emperor International Holdings Limited, an exempt 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
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	The People’s Republic of China
“Property”	Shop A, D2 & E2 on Ground Floor, Harilea Mansion, 81 Nathan Road, Hong Kong with gross floor area of 3,061 sq. ft.
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tenancy Agreement”	a tenancy agreement dated 31 March 2011 entered into between Great Future and Beauty Royal in relation to the renewal of tenancy of the Property
“Great Future”	Great Future Hong Kong Limited, a company incorporated in Hong Kong and an indirect wholly-owned subsidiary of EIHL

“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, 31 March 2011

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

<i>Non-executive Director:</i>	Ms. Luk Siu Man, Semon (<i>Chairperson</i>)
<i>Executive Directors:</i>	Mr. Wong Chi Fai (<i>Managing Director</i>) Ms. Fan Man Seung, Vanessa (<i>Managing Director</i>) Mr. Cheung Ping Keung Ms. Mok Fung Lin, Ivy
<i>Independent Non-executive Directors:</i>	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:

<i>Executive Directors:</i>	Ms. Cindy Yeung (<i>Managing Director</i>) Mr. Chan Hung Ming Mr. Wong Chi Fai Ms. Fan Man Seung, Vanessa
<i>Non-Executive Director:</i>	Mr. Hanji Huang
<i>Independent Non-Executive Directors:</i>	Ms. Yip Kam Man Mr. Chan Hon Piu Ms. Lai Ka Fung, May

* *for identification purposes only*