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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 TRANSACTION

On 31 March 2009 the boards of directors of EIHL and EWJ announce that Gold Pleasure entered into the Tenancy Agreement with Beauty Royal in relation to the tenancy of the Property.

Gold Pleasure 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 55.92% and 74.90% 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 Gold Pleasure 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.

The calculations of the applicable percentage ratios of both EIHL and EWJ (as defined in the Listing Rules) on an annual basis are more than 0.1% but less than 2.5% and the annual consideration is less than HK\$10,000,000. The Tenancy Agreement will be 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 31 March 2009, Gold Pleasure entered into the Tenancy Agreement with Beauty Royal in relation to the tenancy of the Property.

TENANCY AGREEMENT DATED 31 MARCH 2009

| | |
|-------------------|--|
| Landlord: | Gold Pleasure |
| Tenant: | Beauty Royal |
| Property: | G/F., 4 Canton Road, Kowloon, Hong Kong with saleable floor area of 710 sq. ft. |
| Usage: | for the operation of retail shop |
| Term: | from 1 May 2009 to 30 April 2012, both days inclusive |
| Rent: | HK\$760,000.00 per month, exclusive of rates, management fees and all other outgoings, payable monthly in advance |
| Effective Rental: | HK\$633,333.34 per month |
| Rent free period: | six months to be designated in the 1st month (May 2009); the 7th month (November 2009); the 13th month (May 2010); the 19th month (November 2010); the 25th month (May 2011) and the 31st month (November 2011) of the aforementioned term |
| Deposit: | HK\$2,321,850.00 which is equivalent to three months' rent and management fee |

ANNUAL CAPS OF THE TENANCY AGREEMENT

The Annual Cap of EIHL in respect of the Tenancy Agreement based on the total annual effective rental receivable under the Tenancy Agreement for each of the financial years ending 31 March 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> |
| Tenancy Agreement | 6,967,000 | 7,600,000 | 7,600,000 | 640,000 |

The Annual Cap of EWJ in respect of the Tenancy Agreement based on the total annual effective rental payable under the Tenancy Agreement for each of the financial years ending 31 December 2009, 2010, 2011 and 2012, will be as follows:

| | 2009 | 2010 | 2011 | 2012 |
|-------------------|-------------|-------------|-------------|-------------|
| | <i>HK\$</i> | <i>HK\$</i> | <i>HK\$</i> | <i>HK\$</i> |
| Tenancy Agreement | 5,067,000 | 7,600,000 | 7,600,000 | 2,534,000 |

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 principally engaged in the sales of luxurious branded watches, and the design and sales of jewellery products in Hong Kong and Macau.

The terms of Tenancy Agreement is arrived at after arm's length negotiation and are on normal commercial terms. The rental of the Tenancy Agreement was determined by 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 of EIHL and EWJ) 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

Gold Pleasure 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 55.92% and 74.90% 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 Gold Pleasure 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.

The calculations of the applicable percentage ratios of both EIHL and EWJ (as defined in the Listing Rules) on an annual basis are more than 0.1% but less than 2.5% and the annual consideration is less than HK\$10,000,000. The Tenancy Agreement will be 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

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| “Annual Cap of EIHL” | the maximum amount of effective rental receivable under the Tenancy Agreement, based on the total annual effective rental receivable under the Tenancy Agreement for each of the financial years ending 31 March 2010, 2011, 2012 and 2013 |
| “Annual Cap of EWJ” | the maximum amount of effective rental payable under the Tenancy Agreement, based on the total annual effective rental payable under the Tenancy Agreement for each of the financial years ending 31 December 2009, 2010, 2011 and 2012 |
| “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 |
| “Gold Pleasure” | Gold Pleasure Investment Limited, a company incorporated in Hong Kong and an indirect wholly-owned subsidiary of EIHL and principally engaged in the property investment of EIHL |
| “HK\$” | Hong Kong dollars |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “Property” | G/F., 4 Canton Road, Kowloon, Hong Kong with saleable floor area of 710 sq. ft. |

“Stock Exchange” The Stock Exchange of Hong Kong Limited

“sq. ft.” square feet

“Tenancy Agreement” the tenancy agreement dated 31 March 2009 entered into between Gold Pleasure and Beauty Royal in relation to the tenancy of the Property

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| By order of the board Emperor International Holdings Limited Luk Siu Man Semon <i>Chairperson</i> | By order of the board Emperor Watch & Jewellery Limited Cindy Yeung <i>Executive Director</i> |
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Hong Kong, 3 April 2009

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*