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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 on 29 November 2011, Planwing entered into the First License Agreement and the Tenancy Agreement with Beauty Royal in relation to the license of the First Property and the tenancy of the Second Property respectively whilst Century Creations entered into the Second License Agreement with Beauty Royal in relation to the license of the Third Property.

Planwing and Century Creations are indirect wholly-owned subsidiaries of EIHL. Beauty Royal is an indirect wholly-owned subsidiary of EWJ. EIHL and EWJ are indirectly owned as to 74.34% and 52.95% 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 Planwing and Century Creations are connected persons of EWJ under Chapter 14A of the Listing Rules. Accordingly, the First License Agreement, the Second License Agreement and the Tenancy Agreement constitute continuing connected transactions for both of EIHL and EWJ.

As the applicable percentage ratios on an annual basis calculated with reference to the First Aggregate Annual Cap and Second Aggregate Annual Cap of both EIHL and EWJ are more than 0.1% but less than 5% under Rule 14A.34 of the Listing Rules, the First License Agreement, the Second License Agreement, the Tenancy Agreement, the First Aggregate Annual Cap and the Second Aggregate Annual Cap 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 but are exempted from the approval of their respective independent shareholders in accordance with Rule 14A.34 of the Listing Rules.

* *for identification purpose only*

The boards of directors of EIHL and EWJ announce that on 29 November 2011, Planwing entered into the First License Agreement and the Tenancy Agreement with Beauty Royal in relation to the license of the First Property and the tenancy of the Second Property respectively whilst Century Creations entered into the Second License Agreement with Beauty Royal in relation to the license of the Third Property.

FIRST LICENSE AGREEMENT DATED 29 NOVEMBER 2011

Licensor: Planwing

Licensee: Beauty Royal

First Property: the signage space B at the external wall on 1/F, 8 Russell Street, Causeway Bay, Hong Kong

Usage: for advertising

Term: three years commencing from 30 November 2011 to 29 November 2014, both days inclusive

Licence Fee: HK\$250,000 per month, exclusive of rates, management fees and other outgoing charges

Deposit: HK\$500,000 which is equivalent to two months' licence fee

TENANCY AGREEMENT DATED 29 NOVEMBER 2011

Landlord: Planwing

Tenant: Beauty Royal

Second Property: Shops 1 & 2, G/F, No. 8 Russell Street, Causeway Bay, Hong Kong with a total gross area of 3,367 sq.ft. together with a right of use three outdoor advertising signs and signage space A on 1/F

Usage: for retail shop

Term: three years commencing from 1 December 2011 to 30 November 2014, both days inclusive

Rent: Year 1 – HK\$1,600,000
Year 2 – HK\$2,000,000
Year 3 – HK\$2,500,000
All rents are exclusive of rates, management and air-conditioning charge and all other outgoing charges

Rent free period:	21 days from 1 December 2013 to 21 December 2013
Effective rental:	HK\$1,986,290 per month
Deposit	HK\$7,757,490 which is equivalent to three months' highest rent, management and air-conditioning charges and rates

FIRST AGGREGATE ANNUAL CAP OF THE FIRST LICENSE AGREEMENT, THE TENANCY AGREEMENT, THE FIRST PREVIOUS TENANCY AGREEMENT AND THE SECOND PREVIOUS TENANCY AGREEMENT

The First Aggregate Annual Cap of EIHL for the First License Agreement, the Tenancy Agreement, the First Previous Tenancy Agreement and the Second Previous Tenancy Agreement (which are aggregated under Rule 14A.25 of the Listing Rules) based on the total annual effective rental receivable under the First License Agreement, the Tenancy Agreement, the First Previous Tenancy Agreement and the Second Previous Tenancy Agreement for each of the years ending 31 March 2012, 2013, 2014, 2015, 2016, 2017 and 2018 will be as follows:

	2012	2013	2014	2015	2016	2017	2018
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
First License Agreement	1,009,000	3,000,000	3,000,000	1,992,000	-	-	-
Tenancy Agreement	7,946,000	23,836,000	23,836,000	15,891,000	-	-	-
First Previous Tenancy Agreement	10,800,000 (Note 1)	-	-	-	-	-	-
Second Previous Tenancy Agreement	8,134,000	24,200,000	24,200,000	27,199,000 (Note 2)	33,120,000 (Note 3)	33,120,000 (Note 3)	21,988,000 (Note 3)
Total	<u>27,889,000</u>	<u>51,036,000</u>	<u>51,036,000</u>	<u>45,082,000</u>	<u>33,120,000</u>	<u>33,120,000</u>	<u>21,988,000</u>

Notes:

1. The amount is calculated by the effective rental received/receivable for the period from 1 April 2011 to 30 November 2011 being the termination date in respect of the First Previous Property as agreed between EIHL and EWJ on 29 November 2011.
2. Assuming Beauty Royal will exercise the option under the Second Previous Tenancy Agreement dated 25 May 2011 to renew the tenancy, the amount includes the rental receivable for the period from 1 April 2014 to 29 November 2014 under the Second Previous Tenancy Agreement and for the period from 30 November 2014 to 31 March 2015 under the renewed tenancy agreement for the Second Previous Property at 120% of the third year rent per month.
3. Assuming Beauty Royal will exercise the option under the Second Previous Tenancy Agreement to renew the tenancy at 120% of the third year rent per month.

The First Aggregate Annual Cap of EWJ for the First License Agreement, the Tenancy Agreement, the First Previous Tenancy Agreement and the Second Previous Tenancy Agreement (which are aggregated under Rule 14A.25 of the Listing Rules) based on the total annual effective rental payable under the First License Agreement, the Tenancy Agreement, the First Previous Tenancy Agreement and the Second Previous 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>
First License Agreement	259,000	3,000,000	3,000,000	2,742,000
Tenancy Agreement	1,987,000	23,836,000	23,836,000	21,850,000
First Previous Tenancy Agreement	14,850,000	–	–	–
	<i>(Note 1)</i>			
Second Previous Tenancy Agreement	2,084,000	24,200,000	24,200,000	22,117,000
	<i>(Note 2)</i>			
	_____	_____	_____	_____
Total	<u>19,180,000</u>	<u>51,036,000</u>	<u>51,036,000</u>	<u>46,709,000</u>

Notes:

1. The amount is calculated by the effective rental paid/payable for the period from 1 January 2011 to 30 November 2011 being the termination date in respect of the First Previous Property as agreed between EIHL and EWJ on 29 November 2011.
2. According to the Second Previous Tenancy Agreement dated 25 May 2011, the option to renew such agreement is at EWJ's discretion, the annual cap of the Second Previous Tenancy Agreement is accordingly calculated only based on the total annual effective rental payables.

SECOND LICENSE AGREEMENT DATED 29 NOVEMBER 2011

Licensor: Century Creations

Licensee: Beauty Royal

Third Property: the signboard on external wall, 22-24 Russell Street, Causeway Bay, Hong Kong

Usage: for outdoor advertising

Term: two years commencing from 1 December 2011 to 30 November 2013, both days inclusive

License Fee: HK\$70,000 per month, inclusive of rates, but exclusive of electricity charge and other outgoing charges

Deposit: HK\$140,000 which is equivalent to two months' license fee

SECOND AGGREGATE ANNUAL CAP OF THE SECOND LICENSE AGREEMENT AND THE THIRD PREVIOUS TENANCY AGREEMENT

The Second Aggregate Annual Cap of EIHL for the Second License Agreement, Sub-License Agreement, and the Third Previous Tenancy Agreement (which are aggregated under Rule 14A.25 of the Listing Rules) based on the total annual effective rental receivable under the Second License Agreement, Sub-License Agreement, and the Third Previous Tenancy Agreement for each of the years ending 31 March 2012, 2013, 2014, 2015, 2016, 2017 and 2018 will be as follows:

	2012	2013	2014	2015	2016	2017	2018
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
Second License Agreement	280,000	840,000	560,000	-	-	-	-
Sub-License Agreement and Third Previous Tenancy Agreement	13,469,000 (Note 1)	17,876,000	17,876,000	22,042,000 (Note 2)	23,616,000 (Note 2)	23,616,000 (Note 2)	6,476,000 (Note 2)
Total	<u>13,749,000</u>	<u>18,716,000</u>	<u>18,436,000</u>	<u>22,042,000</u>	<u>23,616,000</u>	<u>23,616,000</u>	<u>6,476,000</u>

Notes:

1. The sum includes the rental received under the Sub-License Agreement from 10 July 2011 to 18 October 2011 and effective rental receivable under the Third Previous Tenancy Agreement from 19 October 2011 to 31 March 2012.
2. Assuming Beauty Royal will exercise the options under the Third Previous Tenancy Agreement to renew the respective tenancies at 120% of the third year rent per month.

The Second Aggregate Annual Cap of EWJ for the Second License Agreement, Sub-License Agreement, and the Third Previous Tenancy Agreement (which are aggregated under Rule 14A.25 of the Listing Rules) based on the total annual effective rental payable under the Second License Agreement and the Third Previous Tenancy Agreement, Sub-License Agreement, for each of the years ending 31 December 2011, 2012, 2013 and 2014 will be as follows:

	2011 <i>HK\$</i>	2012 <i>HK\$</i>	2013 <i>HK\$</i>	2014 <i>HK\$</i>
Second License Agreement	70,000	840,000	770,000	–
Sub-License Agreement and Third Previous Tenancy Agreement (<i>Note 2</i>)	9,000,000	17,876,000	17,876,000	9,370,000
	<i>(Note 1)</i>			
Total	<u>9,070,000</u>	<u>18,716,000</u>	<u>18,646,000</u>	<u>9,370,000</u>

Notes:

1. The sum includes the rental paid under the Sub-License Agreement from 10 July 2011 to 18 October 2011 and effective rental payable under the Third Previous Tenancy Agreement from 19 October 2011 to 31 December 2011.
2. According to the Third Previous Tenancy Agreement dated 30 June 2011, the option to renew such agreement is at EWJ's discretion, the annual cap of the Third Previous Tenancy Agreement is accordingly calculated only based on the total annual effective rental payables.

REASONS AND BENEFITS FOR THE FIRST LICENSE AGREEMENT, THE SECOND LICENSE AGREEMENT AND THE TENANCY AGREEMENT

EIHL is an investment holding company and its subsidiaries are principally engaged in property development and investment, and hotel operation. The First Property, the Second Property and the Third Property are 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. EWJ considers the Second Property which includes First Previous Property and additional right to use the signage space A is more suitable for retail business while the First Property and the Third Property are suitable for outdoor advertising purpose.

The terms of the First License Agreement, the Second License Agreement and the Tenancy Agreement are arrived at after arm's length negotiation and are on normal commercial terms. The rental of the First License Agreement, the Second License Agreement and the Tenancy Agreement was determined with reference to the prevailing

market rent of similar property in the nearby locations. The directors of both EIHL and EWJ (including the respective independent non-executive directors) consider that the First License Agreement, the Second License Agreement and the Tenancy Agreement are on normal commercial terms, in the normal course of business, fair and reasonable and in the interests of both EIHL and EWJ and their respective shareholders as a whole. Ms. Semon Luk, a non-executive director and the Chairperson of EIHL, and Ms. Cindy Yeung, the Managing Director of EWJ, did abstain from voting at the respective board meeting of EIHL and EWJ in view of their interests in the transactions by virtue of being the spouse of Dr. Albert Yeung and being one of the eligible beneficiaries of the AY Trust respectively.

GENERAL

Planwing and Century Creations are an indirect wholly-owned subsidiaries 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 group tenancy agent services for EWJ and its subsidiaries.

EIHL and EWJ are indirectly owned as to 74.34% and 52.95% 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 Planwing and Century Creations are connected persons of EWJ under Chapter 14A of the Listing Rules. Accordingly, the First License Agreement, the Second License Agreement and the Tenancy Agreement constitute continuing connected transactions for both of EIHL and EWJ.

As the applicable percentage ratios on an annual basis calculated with reference to the First Aggregate Annual Cap and Second Aggregate Annual Cap of both EIHL and EWJ are more than 0.1% but less than 5% under Rule 14A.34 of the Listing Rules, the First License Agreement, the Second License Agreement, the Tenancy Agreement, the First Aggregate Annual Cap and Second Aggregate Annual Cap 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 but are exempted from the approval of their respective independent shareholders in accordance with Rule 14A.34 of the Listing Rules.

TERMS USED IN THIS ANNOUNCEMENT

“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 group tenancy agent services for EWJ and its subsidiaries

“Century Creations”	Century Creations Limited, a company incorporated in Hong Kong and an indirect wholly-owned subsidiary of EIHL and principally engaged in property investment
“Dr. Albert Yeung”	Dr. Yeung Sau Shing, Albert
“EIHL”	Emperor International Holdings Limited, an exempted 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 Aggregate Annual Cap of EIHL”	the maximum amount of rental receivable under the First License Agreement, Tenancy Agreement, First Previous Tenancy Agreement and Second Previous Tenancy Agreement based on the total annual effective rental receivable under the First License Agreement, Tenancy Agreement, First Previous Tenancy Agreement and Second Previous Tenancy Agreement for each of the years ending 31 March 2012, 2013, 2014, 2015, 2016, 2017 and 2018
“First Aggregate Annual Cap of EWJ”	the maximum amount of rental payable under the First License Agreement, Tenancy Agreement, First Previous Tenancy Agreement and Second Previous Tenancy Agreement based on the total annual effective rental payable under the First License Agreement, Tenancy Agreement, First Previous Tenancy Agreement and Second Previous Tenancy Agreement for each of the years ending 31 December 2011, 2012, 2013 and 2014
“First License Agreement”	the license agreement dated 29 November 2011 entered into between Planwing and Beauty Royal in relation to the license of the First Property
“First Previous Property”	Shops 1 & 2, G/F, No. 8 Russell Street, Causeway Bay, Hong Kong with a total gross area of 3,367 sq.ft. together with a right of use three outdoor advertising signs

“First Previous Tenancy Agreement”	the tenancy agreement dated 25 June 2010 entered into between Planwing and Beauty Royal in relation to the tenancy of the First Previous Property, details were set out in the joint announcement of EIHL and EWJ dated 25 June 2010 and was terminated with effect from 29 November 2011 by mutual agreement of the both parties.
“First Property”	Signage Space B at the external wall on 1/F, 8 Russell Street, Causeway Bay, Hong Kong
“HK\$”	Hong Kong dollars
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Planwing”	Planwing Limited, a company incorporated in Hong Kong and an indirect wholly-owned subsidiary of EIHL and principally engaged in property investment
“Second Aggregate Annual Cap of EIHL”	the maximum amount of rental receivable under the Second License Agreement, Sub-License Agreement and the Third Previous Tenancy Agreement based on the total annual effective rental receivable under the Second License Agreement, Sub-License Agreement and the Third Previous Tenancy Agreement for each of the years ending 31 March 2012, 2013, 2014, 2015, 2016, 2017 and 2018
“Second Aggregate Annual Cap of EWJ”	the maximum amount of rental payable under the Second License Agreement, Sub-License Agreement and the Third Previous Tenancy Agreement based on the total annual effective rental payable under the Second License Agreement, Sub-License Agreement and the Third Previous Tenancy Agreement for each of the years ending 31 December 2011, 2012, 2013 and 2014
“Second License Agreement”	the tenancy agreement dated 29 November 2011 entered into between Century Creations and Beauty Royal in relation to the license of the Third Property
“Second Previous Property”	Shops 3 & 5, G/F, 8 Russell Street, Causeway Bay, Hong Kong with a total gross area of 3,068 sq.ft.

“Second Previous Tenancy Agreement”	the tenancy agreement dated 25 May 2011 entered into between Planwing and Beauty Royal in relation to the tenancy of the Second Previous Property, details were set out in the announcements of both EIHL and EWJ dated 25 May 2011
“Second Property”	Shops 1 & 2, G/F, No. 8 Russell Street Causeway Bay, Hong Kong with a total gross area of 3,367 sq.ft. together with a right of use three outdoor advertising signs and signage space A on 1/F
“Sub-License Agreement”	a sub-license agreement dated 30 June 2011 entered into between Century Creations and Beauty Royal in relation to tenancy of the Third Previous Property for the period from 10 July 2011 to 18 October 2011 (both days inclusive), details were set out in the joint announcement of EIHL and EWJ dated 30 June 2011
“sq. ft.”	square feet
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tenancy Agreement”	the tenancy agreement dated 29 November 2011 entered into between Planwing and Beauty Royal in relation to the tenancy of the Second Property
“Third Previous Property”	G/F and 1/F, No. 24 Russell Street, Causeway Bay, Hong Kong
“Third Previous Tenancy Agreement”	the tenancy agreement dated 30 June 2011 entered into between Century Creations and Beauty Royal in relation to the tenancy of the Third Previous Property for the period from 19 October 2011 to 9 July 2014 (both days inclusive), details were set out in the joint announcement of EIHL and EWJ dated 30 June 2011
“Third Property”	Signboard on external wall, 22-24 Russell Street, Causeway Bay, Hong Kong

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, 29 November 2011

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

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

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 comprises:

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