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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)

**MAJOR TRANSACTION;
CONTINUING CONNECTED
TRANSACTION
AND
RESUMPTION OF TRADING**

**CONTINUING CONNECTED
TRANSACTION**

Major Transaction

On 18 December 2009, Gold Pleasure, a wholly owned subsidiary of EIHL, entered into the Agreement with Snowland for the acquisition of the Property at a consideration HK\$843,000,000.

The Acquisition constitutes a major transaction for EIHL under Chapter 14 of the Listing Rules and is therefore subject to Shareholders' approval pursuant to Rule 14.40. EIHL has obtained a written approval to the Acquisition from Charron Holdings Limited, the controlling shareholder of EIHL, which is beneficially interested in approximately 54.37% of the issued share capital of EIHL and by reason of such written approval, a special general meeting of EIHL to approve the Acquisition is not necessary pursuant to Rule 14.44 of the Listing Rules and will not be convened. A circular containing, inter alia, further information in respect of the Acquisition will be despatched to the Shareholders as soon as possible.

Continuing Connected Transaction

The boards of directors of EIHL and EWJ announce that upon completion of the Acquisition, Gold Pleasure will become a new landlord of the Property and the Tenancy Agreement and the Addendum between Gold Pleasure and Perfect Perform in relation to the tenancy of the Property becomes a continuing connected transaction for both EIHL and EWJ.

Gold Pleasure is an indirect wholly-owned subsidiary of EIHL. Perfect Perform is an indirect wholly-owned subsidiary of EWJ. EIHL and EWJ are indirectly owned as to 54.37% 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, Perfect Perform 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 and the Addendum constitute a continuing connected transaction for both of EIHL and EWJ. Since there is no variation of the terms of the Tenancy Agreement and the Addendum, the Tenancy Agreement and the Addendum will be subject to the reporting and announcement requirements set out in Rule 14A.41 of the Listing Rules.

RESUMPTION OF TRADING

Trading in the Shares on the Stock Exchange was suspended with effect from 9:30 a.m. on 21 December 2009. Application has been made by EIHL for the resumption of trading of the Shares on the Stock Exchange with effect from 9:30 a.m. on 23 December 2009.

Major Transaction

On 18 December 2009, Gold Pleasure, a wholly owned subsidiary of EIHL, entered into the Agreement with Snowland for the acquisition of the Property at a consideration HK\$843,000,000.

The Agreement

Date: 18 December 2009

Purchaser: Gold Pleasure, a wholly-owned subsidiary of EIHL

Vendor: Snowland, a company which is principally engaged in property investment. To the best of the EIHL directors' knowledge, information and belief having made all reasonable enquiry, Snowland and its ultimate beneficial owners are Independent Third Parties.

Information of the Property

The Property is located at the Ground Floor, Nos. 6 & 8 Canton Road, Kowloon, Hong Kong and having a total saleable area of approximately 1,212 square feet. The Property will be delivered to Gold Pleasure upon completion of the Acquisition subject to and with the benefit of tenancy. Based on the information provided by Snowland, the net book value of the Property amounted to HK\$380 million as at 31 March 2009 and according to the existing arrangement of the tenancy of the Property, the total annual rentals of the Property upon completion of the Acquisition will be approximately HK\$16,800,000.

Consideration and payment terms

The consideration of HK\$843,000,000 payable by Gold Pleasure for the Acquisition shall be payable in the following manner:

- (a) an initial deposit and part payment in the sum of HK\$10,000,000 was paid to Snowland's solicitors upon signing of the Agreement;
- (b) a further deposit and part payment of HK\$158,600,000 shall be paid to Snowland's solicitors on 4 January 2010; and
- (c) the remaining balance of HK\$674,400,000 shall be paid to Snowland upon completion of the Acquisition which is expected to take place on 20 April 2010.

The consideration for the Property has been determined after arm's length negotiations between the parties by reference to the prevailing market conditions. The consideration will be financed by a combination of internal resources and bank financing of the EIHL Group.

Completion

Pursuant to the Agreement, a formal agreement for sale and purchase shall be signed on or before 4 January 2010. Completion of the sale and purchase of the Property shall take place on or before 20 April 2010.

Reason for the Acquisition

EIHL is an investment holding company and its subsidiaries are principally engaged in property development and investment, and hotel operation.

The Acquisition allows the EIHL Group to enlarge its investment property portfolio with high quality assets and provides the Group with a steady rental income. The directors of EIHL consider that the terms of the Agreement are fair and reasonable and the Acquisition is in the interest of EIHL and the Shareholders as a whole.

CONTINUING CONNECTED TRANSACTION

The boards of directors of EIHL and EWJ announce that upon completion of the Acquisition, Gold Pleasure will become a new landlord of the Property and the Tenancy Agreement and the Addendum between Gold Pleasure and Perfect Perform in relation to the tenancy of the Property becomes a continuing connected transaction for both EIHL and EWJ.

Tenancy Agreement dated 8 August 2008 and Addendum dated 27 May 2009

Landlord:	Snowland (Gold Pleasure will become the new landlord upon completion of the Acquisition)
Tenant:	Perfect Perform
Property:	Ground Floor, Nos. 6 & 8 Canton Road, Kowloon, Hong Kong with saleable floor area of 1,212 sq. ft.
Usage:	for the operation of retail shop
Term:	from 1 August 2008 to 31 July 2010, both days inclusive
Addendum Extension:	from 1 August 2010 to 31 July 2012, both days inclusive
Rent:	(i) from 1 August 2008 to 31 July 2010: HK\$1,400,000 per month, exclusive of rates, management fees and all other outgoings, payable monthly in advance (ii) from 1 August 2010 to 31 July 2012: HK\$1,430,000 per month, exclusive of rates, management fees and all other outgoings, payable monthly in advance
Deposit:	HK\$8,400,000 which is equivalent to six months' rent

AGGREGATE ANNUAL CAP OF THE TENANCY AGREEMENT AND THE ADDENDUM

The Annual Cap of EIHL for the Tenancy Agreement and the Addendum based on the total annual effective rental receivable under the Tenancy Agreement and the Addendum for each of the financial years ending 31 March 2011, 2012 and 2013 will be as follows:

	2011	2012	2013
	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>
Tenancy Agreement and Addendum	16,110,000	17,160,000	5,720,000

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

	2010	2011	2012
	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>
Tenancy Agreement and Addendum	11,820,000	17,160,000	10,010,000

REASONS AND BENEFITS FOR THE TENANCY AGREEMENT AND THE ADDENDUM

Upon completion of the Acquisition, EIHL intends to hold the Property as investment property for rental income while EWJ will continue to rent the Property for operation of retail shop.

The directors of both EIHL and EWJ (including the respective independent non-executive directors of EIHL and EWJ) consider that the Tenancy Agreement and the Addendum 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

The Acquisition constitutes a major transaction for EIHL under Chapter 14 of the Listing Rules and is therefore subject to Shareholders' approval pursuant to Rule 14.40. EIHL has obtained a written approval to the Acquisition from Charron Holdings Limited, the controlling shareholder of EIHL, which is beneficially interested in 1,070,171,364 Shares, approximately 54.37% of the issued share capital of EIHL and by reason of such written approval, a special general meeting of EIHL to approve the Acquisition is not necessary pursuant to Rule 14.44 of the Listing Rules and will not be convened. A circular containing, inter alia, further information in respect of the Acquisition will be despatched to the Shareholders as soon as possible.

Gold Pleasure 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 group agent services for EWJ and its subsidiaries.

EIHL and EWJ are indirectly owned as to 54.37% 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, Perfect Perform 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 and the Addendum will constitute a continuing connected transaction for both of EIHL and EWJ. Since there is no variation of the terms of the Tenancy Agreement and the Addendum, the Tenancy Agreement and the Addendum will be subject to the reporting and announcement requirements set out in Rule 14A.41 of the Listing Rules.

RESUMPTION OF TRADING

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TERMS USED IN THIS ANNOUNCEMENT

“Acquisition”	the acquisition of the Property by Purchaser from the Vendor pursuant to the Agreement
“Addendum”	the supplemental to the Tenancy Agreement dated 27 May 2009
“Agreement”	the provisional agreement for sale and purchase of the Property dated 18 December 2009 entered into between the Vendor and the Purchaser
“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 years ending 31 March 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 years ending 31 December 2010, 2011 and 2012
“AY Trust”	The Albert Yeung Discretionary Trust, a discretionary trust set up by Dr. Albert Yeung
“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
“EIHL Group”	EIHL and its subsidiaries
“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” or “Purchaser”	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
“Independent Third Party(ies)”	independent third party(ies) not connected with the Directors, chief executive or substantial shareholders of the Company or any of its subsidiaries or their respective associates as defined in the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“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
“Property”	Ground floor, Nos. 6 & 8 Canton Road, Kowloon, Hong Kong and having a total saleable floor area of approximately 1,212 square feet
“Share(s)”	ordinary share(s) with a par value of HK\$0.01 each in the share capital of EIHL
“Shareholder(s)”	holder(s) of the Shares
“Snowland” or “Vendor”	Snowland Limited, a company incorporated in Hong Kong with limited liability
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tenancy Agreement”	the tenancy agreement dated 8 August 2008 entered into between Snowland and Perfect Perform in relation to the tenancy of the Property
“HK\$”	Hong Kong dollars
“sq. ft.”	square feet

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, 22 December, 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. Wong Chi Fai
Ms. Fan Man Seung, Vanessa
Mr. Chan Hung Ming

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

* *for identification purposes only*