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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 Emperor International and Emperor W&J announce that on 29 March 2012, Gold Pleasure as licensor and Beauty Royal as licensee has entered into the Sub-License Agreement in relation to the license of the Property.

Gold Pleasure is an indirect wholly-owned subsidiary of Emperor International. Beauty Royal is an indirect wholly-owned subsidiary of Emperor W&J. Both Emperor International and Emperor W&J are indirectly owned as to 74.93% and 53.05% respectively by the AY Trust, a discretionary trust set up by Dr. Albert Yeung, a deemed substantial shareholder of Emperor International and Emperor W&J. As such, Beauty Royal is a connected person of Emperor International and Gold Pleasure is a connected person of Emperor W&J under Chapter 14A of the Listing Rules. Accordingly, the Sub-License Agreement constitutes a continuing connected transaction for both of Emperor International and Emperor W&J.

As the applicable percentage ratios on an annual basis calculated with reference to the Aggregate Annual Caps of both Emperor International and Emperor W&J are more than 0.1% but less than 5% under Rule 14A.34 of the Listing Rules, the Sub-License Agreement and the Aggregate Annual Caps of both Emperor International and Emperor W&J 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 of both Emperor International and Emperor W&J in accordance with Rule 14A.34 of the Listing Rules.

The boards of directors of Emperor International and Emperor W&J announce that on 29 March 2012, Gold Pleasure as licensor and Beauty Royal as licensee has entered into the Sub-License Agreement in relation to the license of the Property.

* for identification purposes only

SUB-LICENSE AGREEMENT DATED 29 MARCH 2012

Licensors: Gold Pleasure

Licensee: Beauty Royal

Property: Projected signage of 4-8 Canton Road, Kowloon

Term: Six months (May, August, September, October, November and December of 2012)

License Fee: HK\$380,000.00 per month, inclusive of rates, management fees but exclusive of other outgoing charges

Deposit: HK\$1,140,000.00 which is equivalent to three months' license fee

AGGREGATE ANNUAL CAP OF THE SUB-LICENSE AGREEMENT, THE LAST TENANCY AGREEMENT, THE PREVIOUS TENANCY AGREEMENTS AND THE PREVIOUS LICENSE AGREEMENTS

The Aggregate Annual Cap of Emperor International for the Sub-License Agreement and the Last Tenancy Agreement (which are aggregated under Rule 14A.25 of the Listing Rules) based on the total annual effective rental and license fee receivable under the Sub-License Agreement and the Last Tenancy Agreement for each of the years ending 31 March 2013, 2014 and 2015 will be as follows:

	2013 <i>HK\$</i>	2014 <i>HK\$</i>	2015 <i>HK\$</i>
Sub-License Agreement	2,280,000	—	—
Last Tenancy Agreement	<u>63,446,000</u>	<u>63,446,000</u>	<u>48,096,000</u>
Total	<u><u>65,726,000</u></u>	<u><u>63,446,000</u></u>	<u><u>48,096,000</u></u>

The Aggregate Annual Cap of Emperor W&J for the Sub-License Agreement, the Last Tenancy Agreement, the Previous Tenancy Agreements and the Previous License Agreements (which are aggregated under Rule 14A.25 of the Listing Rules) based on the total annual effective rental and license fee paid/payable under the Sub-License Agreement, the Last Tenancy Agreement, the Previous Tenancy Agreements and the Previous License Agreements for each of the years ending 31 December 2012, 2013, 2014 and 2015 will be as follows:

	2012 <i>HK\$</i>	2013 <i>HK\$</i>	2014 <i>HK\$</i>	2015 <i>HK\$</i>
Sub-License Agreement	2,280,000	–	–	–
Last Tenancy Agreement	62,934,000	63,446,000	63,446,000	512,000
First Previous Tenancy Agreement	3,000 (<i>Note</i>)	–	–	–
Second Previous Tenancy Agreement	2,000 (<i>Note</i>)	–	–	–
Third Previous Tenancy Agreement	24,000 (<i>Note</i>)	–	–	–
Fourth Previous Tenancy Agreement	1,000 (<i>Note</i>)	–	–	–
Fifth Previous Tenancy Agreement	62,000 (<i>Note</i>)	–	–	–
Sixth Previous Tenancy Agreement	139,000 (<i>Note</i>)	–	–	–
Seventh Previous Tenancy Agreement	2,000 (<i>Note</i>)	–	–	–
First Previous License Agreement	3,000 (<i>Note</i>)	–	–	–
Second Previous License Agreement	2,000 (<i>Note</i>)	–	–	–
Total	65,452,000	63,446,000	63,446,000	512,000

Note: The amount is calculated by the effective rental paid for the period from 1 January 2012 to 3 January 2012 being the termination date in respect of the Previous Tenancy Agreements and Previous License Agreements.

REASONS AND BENEFITS FOR THE SUB-LICENSE AGREEMENT

Emperor International is an investment holding company and its subsidiaries are principally engaged in property development and investment, and hotel operation. The Property is held by Emperor International as investment property for rental income.

Emperor W&J 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. Emperor W&J considers the Property suitable for outdoor advertising purpose.

The terms of the Sub-License Agreement are arrived at after arm's length negotiation and are on normal commercial terms. The rental of the Sub-License Agreement was determined with reference to the prevailing market rent of similar property in the nearby locations. The directors of both Emperor International and Emperor W&J (including the respective independent non-executive directors) consider that the Sub-License Agreement is on normal commercial terms, in the normal course of business, fair and

reasonable and in the interests of both Emperor International and Emperor W&J and their respective shareholders as a whole. Ms. Semon Luk, the Chairperson of Emperor International, and Ms. Cindy Yeung, the Chairperson and Managing Director of Emperor W&J, did abstain from voting at the respective board meeting of Emperor International and Emperor W&J in view of their deemed 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

Gold Pleasure is an indirect wholly-owned subsidiary of Emperor International and principally engaged in property investment. Beauty Royal is an indirect wholly-owned subsidiary of Emperor W&J and principally engaged in the provision of group tenancy agent services for Emperor W&J and its subsidiaries.

Emperor International and Emperor W&J are indirectly owned as to 74.93% and 53.05% respectively by the AY Trust, a discretionary trust set up by Dr. Albert Yeung, a deemed substantial shareholder of both Emperor International and Emperor W&J. As such, Beauty Royal is a connected person of Emperor International and Gold Pleasure is a connected person of Emperor W&J under Chapter 14A of the Listing Rules. Accordingly, the Sub-License Agreement constitutes a continuing connected transaction for both of Emperor International and Emperor W&J.

As the applicable percentage ratios on an annual basis calculated with reference to the Aggregate Annual Caps of both Emperor International and Emperor W&J are more than 0.1% but less than 5% under Rule 14A.34 of the Listing Rules, the Sub-License Agreement and the Aggregate Annual Caps of both Emperor International and Emperor W&J 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 independent shareholders of both Emperor International and Emperor W&J in accordance with Rule 14A.34 of the Listing Rules.

TERMS USED IN THIS ANNOUNCEMENT

“Aggregate Annual Cap of Emperor International”	the maximum amount of rental and license fee receivable under the Sub-License Agreement and the Last Tenancy Agreement based on the license fee receivable under the Sub-License Agreement for each of the years ending 31 March 2013, 2014 and 2015
“Aggregate Annual Cap of Emperor W&J”	the maximum amount of rental and license fee paid/payable under the Sub-License Agreement, the Last Tenancy Agreement, the Previous Tenancy Agreements and the Previous License Agreements based on the license fee payable under the Sub-License Agreement for each of the years ending 31 December 2012, 2013, 2014 and 2015

“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 Emperor W&J and principally engaged in the provision of group tenancy agent services for Emperor W&J and its subsidiaries
“Dr. Albert Yeung”	Dr. Yeung Sau Shing, Albert
“Eighth Previous Property”	The external signage space at the external wall of 3/F, Tenement A, No. 4 Canton Road, Kowloon, Hong Kong
“Emperor International”	Emperor International Holdings Limited, an exempted company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange
“Emperor W&J”	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 Property”	G/F., 4 Canton Road, Kowloon, Hong Kong with gross floor area of 828 sq.ft
“Fifth Previous Tenancy Agreement”	The tenancy agreement dated 31 March 2009 entered into between Gold Pleasure and Beauty Royal in relation to the tenancy of Fifth Previous Property, details were set out in the joint announcement of Emperor International and Emperor W&J dated 3 April 2009
“First Previous License Agreement”	The tenancy agreement dated 20 July 2010 entered into between Total Treasure and Perfect Perform in relation to the license of the Eighth Previous Property, details were set out in the joint announcement of Emperor International and Emperor W&J dated 16 March 2011
“First Previous Property”	The advertising signage space at the external wall of Tenement A, 4/F, No. 4 Canton Road, Kowloon, Hong Kong

“First Previous Tenancy Agreement”	The tenancy agreement dated 31 August 2010 entered into between Gold Pleasure and Beauty Royal in relation to the tenancy of First Previous Property, details were set out in the joint announcement of Emperor International and Emperor W&J dated 31 August 2010, in which Happy Rain became the landlord of the First Previous Property pursuant to a sale and purchase agreement dated 28 February 2011 entered into between Happy Rain and Gold Pleasure
“Fourth Previous Property”	Store room on G/F, No. 4 Canton Road, Kowloon, Hong Kong with gross floor area of 90 sq.ft.
“Fourth Previous Tenancy Agreement”	The tenancy agreement dated 13 May 2008 entered into between Gold Pleasure and Moral Step in relation to the tenancy of Fourth Previous Property, details were set out in the joint announcement of Emperor International and Emperor W&J dated 31 August 2010
“Gold Cheer”	Gold Cheer Corporation Limited, a company incorporated in Hong Kong and an indirect wholly-owned subsidiary of Emperor International and principally engaged in property investment
“Gold Pleasure”	Gold Pleasure Investment Limited, a company incorporated in Hong Kong and an indirect wholly-owned subsidiary of Emperor International and principally engaged in property investment
“Happy Rain”	Happy Rain Limited, a company incorporated in Hong Kong and an indirect wholly-owned subsidiary of Emperor International and principally engaged in property investment
“HK\$”	Hong Kong dollars
“Last Tenancy Agreement”	the tenancy agreement dated 15 December 2011 entered into between Gold Pleasure, Total Treasure, Gold Cheer, Happy Rain and Beauty Royal in relation to the tenancies of the Previous Properties
“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 Emperor W&J and principally engaged in the provision of group tenancy agent services for Emperor W&J and its subsidiaries
“Ninth Previous Property”	Projected signage space at the external wall of 3/F, Tenement A, No. 4 Canton Road, Kowloon, Hong Kong
“Perfect Perform”	Perfect Perform Limited, a company incorporated in Hong Kong and an indirect wholly-owned subsidiary of Emperor W&J and principally engaged in the provision of group tenancy agent services for Emperor W&J and its subsidiaries
“PRC”	The People’s Republic of China
“Previous License Agreements”	Includes all of First Previous License Agreement and Second Previous License Agreement
“Previous Tenancy Agreements”	Includes all of First Previous Tenancy Agreement, Second Previous Tenancy Agreement, Third Previous Tenancy Agreement, Fourth Previous Tenancy Agreement, Fifth Previous Tenancy Agreement, Sixth Previous Tenancy Agreement and Seventh Previous Tenancy Agreement
“Previous Properties”	i) G/F & 1/F, ii) Tenements A and B on 3/F, iii) Portion of A of Tenement A on 4/F and roof, iv) Four outdoor advertising signs on the external walls, all of which are located at Nos. 4-8 Canton Road, Kowloon, Hong Kong
“Property”	Projected signage of 4-8 Canton Road, Kowloon
“Second Previous Property”	Portion A of the 1st Floor, No 4 Canton Road, Kowloon, Hong Kong with gross floor area of 358 sq.ft
“Second Previous License Agreement”	The license agreement dated 20 July 2010 entered into between Total Treasure and Perfect Perform in relation to the license of the Ninth Previous Property, details were set out in the joint announcement of Emperor International and Emperor W&J dated 16 March 2011

“Second Previous Tenancy Agreement”	The tenancy agreement dated 31 August 2010 entered into between Gold Pleasure and Beauty Royal in relation to the tenancy of the Second Previous Property, details were set out in the joint announcement of Emperor International and Emperor W&J dated 31 August 2010
“Seventh Previous Property”	Tenement A on the 3/F, No. 4 Canton Road, Kowloon, Hong Kong with gross floor area of approximately 678 sq. ft.
“Seventh Previous Tenancy Agreement”	The tenancy agreement dated 20 July 2010 entered into between Total Treasure and Perfect Perform in relation to the tenancy of the Seventh Previous Property, details were set out in the joint announcement of Emperor International and Emperor W&J dated 16 March 2011
“Sixth Previous Property”	G/F, Nos. 6-8 Canton Road, Kowloon, Hong Kong with gross floor area of 1,336 sq.ft.
“Sixth Previous Tenancy Agreement”	The tenancy agreement dated 8 August 2008 and Addendum dated 27 May 2009 entered into between Gold Pleasure and Perfect Perform in relation to the tenancy of the Sixth Previous Property, details were set out in the joint announcement of Emperor International and Emperor W&J dated 22 December 2009
“sq. ft.”	square feet
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Sub-License Agreement”	The sub-license agreement dated 29 March 2012 entered into between Gold Pressure and Beauty Royal in relation to the sub-license of the Property
“Third Previous Property”	Portion of the whole of 1/F, No 4 Canton Road, Kowloon, Hong Kong with gross floor area of 1,806 sq.ft.
“Third Previous Tenancy Agreement”	The tenancy agreement dated 15 June 2007 entered into between Gold Pleasure and Moral Step in relation to the tenancy of the Third Previous Property, details were set out in the joint announcement of Emperor International and Emperor W&J dated 31 August 2010

“Total Treasure” Total Treasure Investment Limited, a company incorporated in Hong Kong and an indirect wholly-owned subsidiary of Emperor International and principally engaged in property investment

“%” 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
Chairperson and Managing Director

Hong Kong, 29 March, 2012

As at the date hereof, the board of directors of Emperor International comprises:

<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
<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 Emperor W&J comprises:

<i>Executive Directors:</i>	Ms. Cindy Yeung (<i>Chairperson and 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