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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Emperor International Holdings Limited**, you should at once hand this circular together with the accompanying form of proxy to the purchaser or transferee or to the bank or licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)

CONTINUING CONNECTED TRANSACTION

**Independent financial adviser to the Independent Board Committee
and the Independent Shareholders**

VINCO  **城高**

(A wholly-owned subsidiary of Vinco Financial Group Limited)

A letter from the Independent Board Committee to the Independent Shareholders is set out on page 10 of this circular. A letter from Grand Vinco Capital Limited, the independent financial adviser to the Independent Board Committee and the Independent Shareholders, containing its advice to the Independent Board Committee and the Independent Shareholders in connection with the Tenancy Agreement and the Aggregate Annual Cap is set out on pages 11 to 15 of this circular.

A notice convening an SGM of Emperor International Holdings Limited to be held at 11:00 a.m. on Thursday, 4 March 2010 at 28th Floor, Emperor Group Centre, 288 Hennessy Road, Wanchai, Hong Kong is set out on pages 24 to 25 of this circular. A form of proxy for use at the SGM is enclosed. If you are unable to attend and vote at the SGM or any adjourned meeting in person, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the principal office of Emperor International Holdings Limited at 28th Floor, Emperor Group Centre, 288 Hennessy Road, Wanchai, Hong Kong as soon as possible, but in any event not less than 48 hours before the time appointed for holding the SGM or any adjourned meeting. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjourned meeting should you so wish.

* For identification purposes only

CONTENTS

	<i>Page</i>
DEFINITIONS	1
 LETTER FROM THE BOARD	
Introduction	4
Tenancy Agreement dated 27 January 2010	5
Aggregate Annual Cap of the tenancy agreements	7
Reasons and benefits for the Tenancy Agreement	7
Implication of the Listing Rules	7
Special General Meeting	8
Recommendation	8
Additional information	9
LETTER FROM THE INDEPENDENT BOARD COMMITTEE	10
LETTER FROM VINCO CAPITAL	11
APPENDIX – GENERAL INFORMATION	16
NOTICE OF SPECIAL GENERAL MEETING	24

DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

“Aggregate Annual Cap”	the maximum amount of effective rental receivable under the Tenancy Agreement, the First Previous Tenancy Agreement and Second Previous Tenancy Agreement, based on the total annual effective rental receivable under the Tenancy Agreement, the First Previous Tenancy Agreement and Second Previous Tenancy Agreement, for each of the years ending 31 March 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
“Board”	The board of Directors
“Charron”	Charron Holdings Limited, the controlling Shareholder holding 54.40% of the issued share capital of the Company and wholly-owned by the AY Trust
“Company”	Emperor International Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange
“connected person”	has the same meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“Dr. Albert Yeung”	Dr. Yeung Sau Shing, Albert
“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 Previous Property”	Ground Floor (Shop A including the yard), and Office A, 1/F, Tak Fat Building, Nos. 50-52 Russell Street, Causeway Bay, Hong Kong, with a total saleable area of 1,341 sq. ft. and a yard area of 203 sq. ft.
“First Previous Tenancy Agreement”	a tenancy agreement dated 16 May 2008 entered into between Richorse and Beauty Royal in relation to the tenancy of the First Previous Property

DEFINITIONS

“Group”	the Company and its subsidiaries
“Independent Board Committee”	an independent committee of the board comprised all the independent non-executive Directors and formed for advising the Independent Shareholders in respect of the Tenancy Agreement together with the Aggregate Annual Cap
“Independent Shareholders”	Shareholders other than Charron and its associates
“Latest Practicable Date”	10 February 2010, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	The People’s Republic of China
“Property”	Ground Floor (Shop B including the yard) and Office B and the Balcony adjacent thereto on First Floor, Tak Fat Building, 50-52 Russell Street, Causeway Bay, Hong Kong with a total lettable floor area of 1,566 sq. ft.
“Richorse”	Richorse Limited, a company incorporated in Hong Kong and an indirect wholly-owned subsidiary of the Company and principally engaged in the property investment of the Company
“Second Previous Property”	G/F & M/F, 54 & 56 Russell Street, Causeway Bay, Hong Kong (total saleable area of 2,968 sq. ft.) together with the right to use a LED display on external wall from 2-5/F facing Russell Street and an advertising signboard on roof facing Tang Lung Street, Hong Kong
“Second Previous Tenancy Agreement”	a tenancy agreement dated 23 October 2008 entered into between Richorse and Beauty Royal in relation to the tenancy of the Second Previous Property
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“SGM”	special general meeting of the Company to be convened for approving the Tenancy Agreement together with the Aggregate Annual Cap
“Share(s)”	ordinary share(s) with a par value of HK\$0.01 each in the share capital of the Company

DEFINITIONS

“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tenancy Agreement”	the tenancy agreement dated 27 January 2010 entered into between Richorse and Beauty Royal in relation to the tenancy of the Property
“Vinco Capital” or “Independent Financial Advisor”	Grand Vinco Capital Limited, a wholly-owned subsidiary of Vinco Financial Group Limited (stock code: 8340), a corporation licensed to carry out business in type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO, which is appointed by the Company as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the Tenancy Agreement and the Aggregate Annual Cap
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“sq. ft.”	square feet
“%”	per cent

LETTER FROM THE BOARD



英皇集團（國際）有限公司*

Emperor International Holdings Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 163)

Directors:

Luk Siu Man, Semon[#] (*Chairperson*)
Wong Chi Fai⁺ (*Managing Director*)
Fan Man Seung, Vanessa⁺ (*Managing Director*)
Cheung Ping Keung⁺
Mok Fung Lin, Ivy⁺
Chan Man Hon, Eric^{**}
Liu Hing Hung^{**}
Law Ka Ming, Michael^{**}

⁺ *Executive Director*

[#] *Non-executive Director*

^{**} *Independent Non-executive Director*

Registered office:

Clarendon House,
Church Street,
Hamilton HM 11,
Bermuda

Principal Office:

28th Floor,
Emperor Group Centre,
288 Hennessy Road,
Wanchai,
Hong Kong

12 February 2010

To the Shareholders

Dear Sir/Madam,

CONTINUING CONNECTED TRANSACTION

INTRODUCTION

The Board announces that on 27 January 2010, Richorse entered into the Tenancy Agreement with Beauty Royal in relation to the tenancy of the Property.

The purpose of this circular is to provide you with (i) further information in respect of the Tenancy Agreement; (ii) the letter from Vinco Capital containing its advice to the Independent Board Committee and the Independent Shareholders with regard to the Tenancy Agreement and the Aggregate Annual Cap; (iii) the recommendation of the Independent Board Committee to the Independent Shareholders in relation to the Tenancy Agreement and the Aggregate Annual Cap; and (iv) a notice convening the SGM at which an ordinary resolution will be proposed to seek the Independent Shareholders' approval for the Tenancy Agreement and the Aggregate Annual Cap.

* *For identification purposes only*

LETTER FROM THE BOARD

TENANCY AGREEMENT DATED 27 JANUARY 2010

Landlord:	Richorse
Tenant:	Beauty Royal
Property:	Ground Floor (Shop B including the yard) and Office B and the Balcony adjacent thereto on First Floor, Tak Fat Building, 50-52 Russell Street, Causeway Bay, Hong Kong with lettable floor area of 1,566 sq. ft.
Usage:	for the operation of retail shop
Term:	from 9 February 2010 to 22 October 2011, both days inclusive
Rent:	HK\$718,000 per month, exclusive of rates, management fees and all other outgoings, payable monthly in advance
Option:	The tenant has an option to renew the tenancy for fifteen months at the then open market rent
Rent free period:	two months and fourteen days to be designated from 9 February 2010 to 22 April 2010
Deposit:	HK\$2,226,543 which is equivalent to three months' rent, management fee and rates
Condition:	the commencement of rental payment is conditional upon the approval of the Independent Shareholders. If the condition has not been fulfilled, the Tenancy Agreement will be terminated automatically.

In addition, the First Previous Tenancy Agreement and the Second Previous Tenancy Agreement were entered into between Richorse and Beauty Royal on 16 May 2008 and 23 October 2008 respectively, which are aggregated together with the Tenancy Agreement under Rule 14A.25 of the Listing Rules. Details of the terms the First Previous Tenancy Agreement and the Second Previous Tenancy Agreement are as below:

FIRST PREVIOUS TENANCY AGREEMENT DATED 16 MAY 2008

Landlord:	Richorse
Tenant:	Beauty Royal
Premises:	Ground Floor, (Shop A including the yard), and Office A, 1/F, Tak Fat Building, 50-52 Russell Street, Causeway Bay, Hong Kong, with a total saleable area of 1,341 sq. ft. and a yard area of 203 sq. ft.

LETTER FROM THE BOARD

Usage: for the operation of retail shop

Term: 3 years commencing from 1 July 2008 to 30 June 2011 (both days inclusive)

Rent: HK\$700,000 per month for the first and second years, and HK\$750,000 per month for the third year, exclusive of rates, management fees and other outgoings

Deposit: HK\$2,325,468, which is equivalent to three months' higher rent, management fee and rates

Rent free period: three months to be designated in the 1st month (July 2008); the 13th month (July 2009) and the 36th month (June 2011) of the aforementioned term

SECOND PREVIOUS TENANCY AGREEMENT DATED 23 OCTOBER 2008

Landlord: Richorse

Tenant: Beauty Royal

Property: G/F & M/F, 54 & 56 Russell Street, Causeway Bay, Hong Kong (total saleable area of 2,968 sq. ft.) together with the right to use a LED display on external wall from 2-5/F facing Russell Street and an advertising signboard on roof facing Tang Lung Street, Hong Kong.

Usage: for the operation of retail shop

Term: from 23 October 2008 to 22 October 2011, both days inclusive

Rent: HK\$2,750,000 per month for the first year, HK\$2,850,000 per month for the second year, and HK\$2,950,000 per month for the third year, exclusive of rates, management fee and other outgoing charges.

Rent free period: Six months to be designated in the following periods:

- (i) 23 October 2008 to 22 December 2008;
- (ii) 1 November 2009 to 31 December 2009;
- (iii) 1 November 2010 to 31 December 2010

Deposit: HK\$9,011,400 which is equivalent to three months' highest rent and rates

LETTER FROM THE BOARD

AGGREGATE ANNUAL CAP OF THE TENANCY AGREEMENTS

The Aggregate Annual Cap for 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 rental receivable with the adjustment of the rent free period under the Tenancy Agreement, the First Previous Tenancy Agreement and the Second Previous Tenancy Agreement for each of the years ending 31 March 2010, 2011 and 2012, will be as follows:

	2010	2011	2012
	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>
Tenancy Agreement	1,130,000	7,600,000	4,250,000
First Previous Tenancy Agreement	8,000,000	8,000,000	2,000,000
Second Previous Tenancy Agreement	28,530,000	28,530,000	16,000,000
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Total	37,660,000	44,130,000	22,250,000
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

REASONS AND BENEFITS FOR THE TENANCY AGREEMENT

The Company is an investment holding company and its subsidiaries are principally engaged in property development and investment, and hotel operation. The Property is held by the Group 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 Tenancy Agreement are 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 (excluding the independent non-executive directors) of the Company consider that the Tenancy Agreement is on normal commercial terms, in the ordinary and usual course of business, fair and reasonable and in the interests of the Company and its shareholders as a whole.

IMPLICATION OF THE LISTING RULES

Richorse is an indirect wholly-owned subsidiary of the Company 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.

EWJ and the Company are indirectly owned as to 68.09% and 54.40% respectively by the AY Trust, a discretionary trust set up by Dr. Albert Yeung, a deemed substantial shareholder of EWJ and the Company. As such, Beauty Royal is a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the Tenancy Agreement constitutes a continuing connected transaction for the Company.

LETTER FROM THE BOARD

As the applicable percentage ratio calculated with reference to the Aggregate Annual Cap exceeds 2.5% and the consideration exceeds HK\$10 million, the Tenancy Agreement and the Aggregate Annual Cap are subject to reporting, announcement requirements and the independent shareholders' approval requirements set out in Chapter 14A of the Listing Rules.

SPECIAL GENERAL MEETING

The SGM will be held at 28th Floor, Emperor Group Centre, 288 Hennessy Road, Wanchai, Hong Kong at 11:00 a.m. on Thursday, 4 March 2010. A notice convening the SGM is set out on pages 24 to 25 of this circular. An ordinary resolution will be proposed at the SGM for the Independent Shareholders to approve the Tenancy Agreement and the Aggregate Annual Cap. Charron, the controlling Shareholder, and its associates will abstain from voting on the ordinary resolution to approve the Tenancy Agreement and the Aggregate Annual Cap. In compliance with the Listing Rules, the ordinary resolution will be voted by way of poll and the results of the SGM will be published after the SGM.

Enclosed is a form of proxy for use at the SGM. Whether or not you intend to attend and vote at the SGM in person, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the principal office of the Company at 28th Floor, Emperor Group Centre, 288 Hennessy Road, Wanchai, Hong Kong as soon as possible, but in any event not less than 48 hours before the time appointed for holding such meeting or any adjourned meeting. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjourned meeting should you so wish.

RECOMMENDATION

Vinco Capital has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders with regard to the Tenancy Agreement and the Aggregate Annual Cap. The text of the letter of the advice from Vinco Capital containing its recommendation and the principal factors it has taken into account in arriving at its recommendation are set out on pages 11 to 15 of this circular.

The Independent Board Committee, having taken into account the advice of Vinco Capital, considers that the terms of the Tenancy Agreement and the Aggregate Annual Cap are fair and reasonable so far as the Independent Shareholders are concerned and are in the interest of the Company and the Independent Shareholders as a whole. Accordingly, the Independent Board Committee recommends the Independent Shareholders to vote in favour of the ordinary resolution set out in the notice of the SGM to approve the Tenancy Agreement and the Aggregate Annual Cap. The full text of the letter from the Independent Board Committee is set out on page 10 of this circular.

LETTER FROM THE BOARD

ADDITIONAL INFORMATION

Your attention is drawn to the letter from the Independent Board Committee, the letter of advice from Vinco Capital, and the information set out in the Appendix to this circular.

By order of the Board of
Emperor International Holdings Limited
Luk Siu Man, Semon
Chairperson



英皇集團（國際）有限公司*
Emperor International Holdings Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 163)

12 February 2010

To the Independent Shareholders

Dear Sir or Madam,

CONTINUING CONNECTED TRANSACTION

We have been appointed as members of the Independent Board Committee to consider the terms of the Tenancy Agreement and the Aggregate Annual Cap, details of which are set out in the “Letter from the Board” in a circular dated 12 February 2010 to the Shareholders (the “Circular”), of which this letter forms a part. Terms used in this letter shall have the same meanings as defined in the Circular unless the context otherwise requires.

Your attention is drawn to “Letter from Vinco Capital”, containing its advice to us and the Independent Shareholders regarding the fairness and reasonableness of the terms and conditions of the Tenancy Agreement and the Aggregate Annual Cap. Details of its advice are set out on pages 11 to 15 of the Circular. Your attention is also drawn to the letter from the Board set out on pages 4 to 9 of the Circular.

Having considered the advice and recommendation of Vinco Capital, we are of the opinion that the terms of the Tenancy Agreement and the Aggregate Annual Cap are fair and reasonable so far as the Independent Shareholders are concerned and are in the interests of the Company and the Shareholders as a whole. We, therefore, recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the SGM to approve the Tenancy Agreement and the Aggregate Annual Cap.

Yours faithfully,

EMPEROR INTERNATIONAL HOLDINGS LIMITED

Chan Man Hon, Eric

Liu Hing Hung

Law Ka Ming, Michael

Independent Board Committee

* *For identification purposes only*

LETTER FROM VINCO CAPITAL

The following is the text of a letter of advice from Vinco Capital to the Independent Board Committee and the Independent Shareholders in connection with the Tenancy Agreement and the Aggregate Annual Cap which has been prepared for the purpose of incorporation in this circular:



Grand Vinco Capital Limited
Units 4909-4910, 49/F, The Center
99 Queen's Road Central, Hong Kong

12 February 2010

To the Independent Board Committee and the Independent Shareholders of
Emperor International Holdings Limited

Dear Sirs,

CONTINUING CONNECTED TRANSACTION

INTRODUCTION

We refer to our engagement as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in connection with the Tenancy Agreement and the Aggregate Annual Cap, details of which are set out in the section headed "Letter from the Board" in the circular ("Circular") issued by the Company to the Shareholders dated 12 February 2010 of which this letter forms part. Capitalized terms used in this letter shall have the same meanings ascribed to them in the Circular unless the context otherwise requires.

On 27 January 2010, the Company announced that Richorse (an indirect wholly-owned subsidiary of the Company) and Beauty Royal (an indirect wholly-owned subsidiary of EWJ) entered into the Tenancy Agreement in respect of the tenancy of the Property.

As at the Latest Practicable Date, both EWJ and the Company are companies indirectly owned as to 68.09% and 54.40% respectively by the AY Trust, a discretionary trust set up by Dr. Albert Yeung (being a deemed substantial shareholder of the EWJ and the Company). As such, Beauty Royal is a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the Tenancy Agreement constitutes a continuing connected transaction for the Company.

Given that the applicable percentage ratios (as calculated in accordance with Rule 14.07 of the Listing Rules) for the Aggregate Annual Cap exceed 2.5% and the consideration exceeds HK\$10 million, the Tenancy Agreement and the Aggregate Annual Cap are subject to the reporting, announcement requirements and the approval of the Independent Shareholders taken by way of poll at the SGM. Under the Listing Rules, Charron (being the controlling Shareholder) and its associates shall abstain from voting on the ordinary resolution approving the Tenancy Agreement and the Aggregate Annual Cap at the SGM.

LETTER FROM VINCO CAPITAL

The Independent Board Committee, comprising Mr. Chan Man Hon, Eric, Mr. Liu Hing Hung and Mr. Law Ka Ming, Michael, all being the independent non-executive Directors, has been formed to advise the Independent Shareholders on the Tenancy Agreement and the Aggregate Annual Cap. We have been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Tenancy Agreement and the Aggregate Annual Cap. In our capacity as the independent financial adviser to the Independent Board Committee and the Independent Shareholders for the purposes of the Listing Rules, our role is to give you an independent opinion as to whether the Tenancy Agreement and the Aggregate Annual Cap are on normal commercial terms, in the ordinary course of business, fair and reasonable and in the interests of the Company and the Independent Shareholders as a whole.

BASIS OF OUR OPINION AND RECOMMENDATION

In forming our opinion and recommendation, we have relied on the information, facts and representations contained or referred to in the Circular and the information, facts and representations provided by, and the opinions expressed by the Directors, management of the Company and its subsidiaries. We have assumed that all information, facts, opinions and representations made or referred to in the Circular were true, accurate and complete at the time they were made and continued to be true, accurate and complete as at the date of the Circular and that all expectations and intentions of the Directors, management of the Company and its subsidiaries, will be met or carried out as the case may be. We have no reason to doubt the truth, accuracy and completeness of the information, facts, opinions and representations provided to us by the Directors, management of the Company and its subsidiaries. The Directors have confirmed to us that no material facts have been omitted from the information supplied and opinions expressed. We have no reason to doubt that any relevant material facts have been withheld or omitted from the information provided and referred to in the Circular or the reasonableness of the opinions and representations provided to us by the Directors, management of the Company and its subsidiaries.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in the Circular and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in the Circular have been arrived at after due and careful consideration and there are no other facts not contained in the Circular, the omission of which would make any statement in the Circular misleading.

We have relied on such information and opinions and have not, however, conducted any independent verification of the information provided, nor have we carried out any independent investigation into the business, financial conditions and affairs of the Group or its future prospects.

Based on the foregoing, we confirm that we have taken all reasonable steps, which are applicable to the Tenancy Agreement and the Aggregate Annual Cap, as referred to in Rule 13.80 of the Listing Rules (including the notes thereto).

This letter is issued for the information for the Independent Board Committee and the Independent Shareholders solely in connection with their consideration of the Tenancy Agreement and the Aggregate Annual Cap and, except for its inclusion in the Circular, is not to be quoted or referred to, in whole or in part, nor shall this letter be used for any other purposes, without our prior written consent.

LETTER FROM VINCO CAPITAL

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion and recommendation to the Independent Board Committee and the Independent Shareholders in relation to the Tenancy Agreement and the Aggregate Annual Cap, we have considered the principal factors and reasons set out below:

Background of and reasons for the entering into of the Tenancy Agreement

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

EWJ is an investment holding company and its subsidiaries are principally engaged in the sales and luxurious branded watches, and the design and sales of jewellery products in Hong Kong, Macau and the PRC.

Richorse is an indirect wholly-owned subsidiary of the Company 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.

On 27 January 2010, Richorse (an indirect wholly-owned subsidiary of the Company) and Beauty Royal (an indirect wholly-owned subsidiary of EWJ) entered into the Tenancy Agreement in respect of the lease of the Property for a term from 9 February 2010 to 22 October 2011 (both days inclusive). Pursuant to the Tenancy Agreement, Richorse will lease a lettable area of 1,566 sq. ft. of “Ground Floor (Shop B including the yard) and Office B and the Balcony adjacent thereto on First Floor, Tak Fat Building, 50-52 Russell Street, Causeway Bay, Hong Kong” to Beauty Royal for the operation of retail shop.

As advised by the Directors, the Group has been entering into transactions with Beauty Royal for the renting of the properties owned by the Group since 1999. As disclosed in the interim report of the Company for the six months ended 30 September 2009, we noted that rental income from investment properties has been one of the Group’s major sources of income, of which rental income derived from investment properties amounted to HK\$158.3 million, indicating an increase of approximately 18.3% from HK\$133.8 million for the same period in 2008. Given that the Property is held by the Company as investment for rental income, we consider that the entering into of the Tenancy Agreement is in line with the Group’s business strategy and is in the ordinary and usual course of business of the Group.

Principal terms of the Tenancy Agreement

Lease term

Pursuant to the Tenancy Agreement, Richorse agreed to lease out the Property to Beauty Royal for a term from 9 February 2010 to 22 October 2011 (both days inclusive). In this regard, we have reviewed copies of the leasing agreements entered into between the Company and other independent third parties and noted that the respective lease terms as stipulated in such agreements are similar to the lease term of the Tenancy Agreement. Accordingly, we consider the lease term is on normal commercial terms and is fair and reasonable to the Company and Independent Shareholders as a whole.

LETTER FROM VINCO CAPITAL

Rental

The rental shall be payable commencing from 23 April 2010, of which HK\$718,000 per calendar month (exclusive of rates, management fees, and all other outgoings charges). Pursuant to the Tenancy Agreement, Beauty Royal was granted a rent free period of two months and fourteen days which is designated from 9 February 2010 to 22 April 2010. The average monthly rental of the Property is approximately HK\$458 per sq.ft.

As stated in the Letter from the Board, the rental of the Tenancy Agreement was determined by reference to the prevailing market rate of similar properties in the nearby locations. In this regard, we have obtained and reviewed the rental quotations of the similar properties in the nearby locations at Russell Street in Causeway Bay (which is the same street as the Property). As such, we noted that the rental and rental quotations of the properties at Russell Street which is leased/to be leased for retail operation for the past six months were ranged from approximately HK\$142 to HK\$1,000 per sq.ft. Further to our discussion with the Directors, we were given to understand that such rental difference is mainly due to the pedestrian flow of the exact locations of the respective properties and we consider that the rental of the Properties is in line with the prevailing market rate of similar properties in the nearby locations. Accordingly, we consider the rental of the Property is on normal commercial terms and is fair and reasonable to the Company and Independent Shareholders as a whole.

Annual Caps

Set out below are the Aggregate Annual Cap for 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) for each of the three years ending 31 March 2010, 2011 and 2012:

	2010	2011	2012
	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>
Tenancy Agreement	1,130,000	7,600,000	4,250,000
First Previous Tenancy Agreement	8,000,000	8,000,000	2,000,000
Second Previous Tenancy Agreement	28,530,000	28,530,000	16,000,000
	<hr/>	<hr/>	<hr/>
Total	<u>37,660,000</u>	<u>44,130,000</u>	<u>22,250,000</u>

To assess the fairness and reasonableness of the Aggregate Annual Cap, we have reviewed the basis and assumptions underlying the estimation of the Aggregate Annual Cap and noted that such Aggregate Annual Cap are determined based on the total annual rental receivable with the adjustment of the rent free period under the Tenancy Agreement, the First Previous Tenancy Agreement and the Second Previous Tenancy Agreement for each of the three years ending 31 March 2010, 2011 and 2012. Accordingly, we are of the view that the Aggregate Annual Cap is fair and reasonable to the Company and Independent Shareholders as a whole.

LETTER FROM VINCO CAPITAL

Other terms of the Tenancy Agreement

We have reviewed copies of the leasing agreements entered into between the Company and other independent third parties in respect of its existing retail outlets and are not aware of any terms under the Tenancy Agreement are of material irregularity. In this regard, we consider that the other terms of the Tenancy Agreement are on normal commercial terms and are fair and reasonable to the Company and the Independent Shareholders as a whole.

CONCLUSION

Having taken into account the above principal factors and reasons, we are of the view that the Tenancy Agreement and the Aggregate Annual Cap are entered into upon normal commercial terms, fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Independent Shareholders as a whole. Accordingly, we advise the Independent Board Committee to recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the SGM to approve the Tenancy Agreement and the Aggregate Annual Cap.

Yours faithfully,
For and on behalf of
Grand Vinco Capital Limited
Alister Chung
Managing Director

1. RESPONSIBILITY STATEMENTS

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this circular have been arrived at after due and careful consideration and there are no other facts not contained in this circular, the omission of which would make any statement herein misleading.

2. DISCLOSURE OF DIRECTORS' INTERESTS

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporation(s) (within the meaning of Part XV of the SFO) which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) to be entered in the register pursuant to Section 352 of the SFO; or (c) pursuant to the Model Code to be notified to the Company and the Stock Exchange, were as follows:

(a) Long position interests in the Company

(i) Ordinary shares of HK\$0.01 each of the Company

Name of director	Nature of interests	Number of ordinary shares/ underlying shares	Approximate percentage holding
Ms. Luk Siu Man, Semon ("Ms. Semon Luk") (Note 1)	Family	2,070,731,364	105.20%

(ii) Share options

Name of director	Nature of interests	Number of ordinary shares/ underlying shares	Approximate percentage
Mr. Wong Chi Fai (Note 2)	Beneficial owner	15,000,000	0.76%
Ms. Fan Man Seung, Vanessa ("Ms. Vanessa Fan") (Note 2)	Beneficial owner	15,000,000	0.76%
Mr. Cheung Ping Keung (Note 2)	Beneficial owner	5,000,000	0.25%

Name of director	Nature of interests	Number of ordinary shares/ underlying shares	Approximate percentage
Ms. Mok Fung Lin, Ivy (Note 2)	Beneficial owner	2,500,000	0.13%

Notes:

- 2,070,731,364 Shares refer to (a) 1,070,731,364 Shares held by Charron and (b) 1,000,000,000 conversion shares of the Company, assuming full exercise of the Convertible Bond by Eternally Smart Limited, a wholly-owned subsidiary of Charron. The entire issued share capital of Charron was held by Million Way Holdings Limited (“Million Way”) which was wholly-owned by STC International Limited (“STC International”), the trustee of the AY Trust. Dr. Albert Yeung, as founder of the AY Trust, was deemed to be interested in the said Shares. By virtue of being the spouse of Dr. Albert Yeung, Ms. Semon Luk was also deemed to be interested in the said shares.
- The share options were granted to Directors under the share option scheme of the Company.

(b) Long position interests in associated corporations*(i) Ordinary shares*

Name of director	Number of associated corporation	Capacity	Number of issued ordinary share(s) held	Percentage of the issued share capital
Ms. Semon Luk	Charron (Note 1)	Family	1	100%
Ms. Semon Luk	Million Way (Note 1)	Family	1	100%
Ms. Semon Luk	Eternally Smart Limited (Note 1)	Family	1	100%
Ms. Semon Luk	Surplus Way Profits Limited (“Surplus Way”) (Note 2)	Family	1	100%
Ms. Semon Luk	Emperor Entertainment Group Limited (“EEG”) (Note 2)	Family	207,919,714	61.05%
Ms. Semon Luk	Velba Limited (“Velba”) (Note 3)	Family	1	100%
Ms. Semon Luk	New Media Group Holdings Limited (“NMG”) (Note 3)	Family	450,000,000	75%
Ms. Semon Luk	Allmighty Group Limited (“Allmighty Group”) (Note 4)	Family	100	100%
Ms. Semon Luk	Emperor Watch & Jewellery Limited (“EWJ”) (Note 4)	Family	3,370,480,000	68.09%

(ii) *Share options*

Name of director	Name of associated corporation	Capacity/nature of interests	Number of underlying shares held	Approximate percentage holding
Mr. Wong Chi Fai	Emperor Entertainment Hotel Limited ("Emperor Hotel") (Note 5)	Beneficial owner	5,000,000	0.39%
Ms. Vanessa Fan	Emperor Hotel (Note 5)	Beneficial owner	5,000,000	0.39%

Notes:

1. Charron was the holding company of Eternally Smart Limited. The entire issued share capital of Charron was held by Million Way which was in turn wholly-owned by STC International, the trustee of the AY Trust. Dr. Albert Yeung, as founder of the AY Trust, was deemed to be interested in the share capital of Charron, Million Way and Eternally Smart. By virtue of being the spouse of Dr. Albert Yeung, Ms. Semon Luk, a director of the Company, was also deemed to be interested in the said shares.
2. EEG is a company with its shares listed in Hong Kong; 207,919,714 shares refer to (a) 183,634,000 shares held by Surplus Way and (b) 24,285,714 conversion shares to be held by Surplus Way, assuming its full exercise of the convertible bond issued by the Company. The entire issued share capital of Surplus Way was held by Million Way which was in turn wholly-owned by STC International, the trustee of the AY Trust. Dr. Albert Yeung, as founder of the AY Trust, was deemed to be interested in the share capital of Surplus Way and the said shares in EEG held by Surplus Way. By virtue of being the spouse of Dr. Albert Yeung, Ms. Semon Luk was also deemed to be interested in the said shares.
3. NMG is a company with its shares listed in Hong Kong; 450,000,000 shares of NMG were held by Velba. The entire issued share capital of Velba was held by Million Way which was in turn wholly-owned by STC International, being the trustee of the AY Trust. Dr. Albert Yeung, as founder of the AY Trust, was deemed to be interested in the share capital of Velba and the said shares in NMG held by Velba. By virtue of being the spouse of Dr. Albert Yeung, Ms. Semon Luk was also deemed to be interested in the said shares.
4. EWJ is a company with its shares listed in Hong Kong; 3,370,480,000 shares of EWJ were held by Allmighty Group. The entire issued share capital of Allmighty Group was held by Million Way which was in turn wholly-owned by STC International, being the trustee of the AY Trust. Dr. Albert Yeung, as the founder of the AY Trust, was deemed to be interested in the share capital of Allmighty Group and the said shares in EWJ held by Allmighty Group. By virtue of being the spouse of Dr. Albert Yeung, Ms. Semon Luk was also deemed to be interested in the said shares.
5. These were share options granted to Directors under the share option scheme of Emperor Hotel.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors, chief executives nor their associates had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations.

3. SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, so far as is known to any Director or chief executive of the Company, the following persons (other than a Director or chief executive of the Company) had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO or, who were, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group or had any option in respect of such capital:

Long position in ordinary shares of HK\$0.01 each of the Company

Name of shareholder	Capacity/Nature of interests	Number of ordinary shares/ underlying shares interested or deemed to be interested	Approximate percentage holding
Charron (<i>Note</i>)	Beneficial owner	2,070,731,364	105.20%
Million Way (<i>Note</i>)	Interest in a controlled corporation	2,070,731,364	105.20%
STC International (<i>Note</i>)	Trustee of the AY Trust	2,070,731,364	105.20%
Dr. Albert Yeung (<i>Note</i>)	Founder of the AY Trust	2,070,731,364	105.20%
Penta Investment Advisers Ltd.	Investment manager	345,056,890	17.53%
John Zwaanstra	Interest in a controlled corporation	345,056,890	17.53%
Penta Asia Long/ Short Fund, Ltd.	Beneficial owner	117,882,890	5.99%
UBS AG	Beneficial owner	217,545,000	11.05%
Mercurius GP LLC	Founder of the Mercurius Partners Trust	136,052,618	6.91%

Name of shareholder	Capacity/Nature of interests	Number of ordinary shares/ underlying shares interested or deemed to be interested	Approximate percentage holding
Penta Asia Fund, Ltd.	Interest in a controlled corporation	136,052,618	6.91%
Todd Zwaanstra	Trustee of Mercurius Partners Trust	136,052,618	6.91%
Desmarais Paul G.	Interest in a controlled corporation	129,891,701	6.6%
Gelco Enterprises Ltd.	Interest in a controlled corporation	129,891,701	6.6%
IGM Financial Inc.	Interest in a controlled corporation	129,891,701	6.6%
Nordex Inc.	Interest in a controlled corporation	129,891,701	6.6%
Power Corporation of Canada	Interest in a controlled corporation	129,891,701	6.6%
Power Financial Corporation	Interest in a controlled corporation	129,891,701	6.6%
Mackenzie Cundill Recovery Fund	Beneficial owner	125,428,000	7.07%
Sodikin	Beneficial owner	193,064,706	9.81%

Note: 2,070,731,364 Shares refer to (a) 1,070,731,364 Shares held by Charron and (b) 1,000,000,000 conversion shares of the Company, assuming full exercise of the Convertible Bond by Eternally Smart Limited, a wholly-owned subsidiary of Charron. The entire issued share capital of Charron was held by Million Way which was wholly-owned by STC International, the trustee of the AY Trust. Dr. Albert Yeung, as founder of the AY Trust, was deemed to be interested in the said Shares. The above shares were the same shares as those set out under Section (a)(i) of “Disclosure of Directors’ Interests” above.

Save as disclosed above, as at the Latest Practicable Date, so far as is known to the Directors or chief executives of the Company, no other person (not being a Director or chief executive of the Company) had any interest or short position in shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange, under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group or held any option in respect of such capital.

4. MATERIAL ADVERSE CHANGES

The Directors confirm that as at the Latest Practicable Date, there was no material adverse change in the financial or trading position or outlook of the Group since 31 March 2009, being the date to which the latest published audited consolidated financial statements of the Group were made up.

5. EXPERTS AND CONSENTS

The following is the qualification of the experts who have been named in this circular or have given opinion or advice which are contained in this circular:

Name	Qualification
Vinco Capital	a licensed corporation to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities as defined under the SFO

Vinco Capital has given and has not withdrawn their written consent to the issue of this circular with the inclusion herein of their letters or references to their names in the form and context in which they respectively appear.

Vinco Capital does not have any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

Vinco Capital does not have any direct or indirect interests in any assets which have been, since 31 March 2009 (being the date to which the latest published audited accounts of the Company were made up), acquired or disposed of by or leased to any member of the Group, or which are proposed to be acquired or disposed of by or leased to any member of the Group.

6. DIRECTORS' INTERESTS IN COMPETING BUSINESSES

As at the Latest Practicable Date, the interests of Directors or their respective associates in the businesses which are considered to compete or are likely to compete, either directly or indirectly, with the businesses of the Group ("Competing Business") as required to be disclosed pursuant to the Listing Rules were as follows:

Name	Name of Company	Nature of Interest	Competing Business
Ms. Semon Luk, Director and her associate	Certain subsidiaries of the AY Trust of which Dr. Albert Yeung, associate of Semon Luk, was the founder	substantial shareholder	Property development and investment
Ms. Vanessa Fan, Director	Bacchus International Limited and its subsidiaries	director and substantial shareholder	Property investment

No non-competition undertaking was given by the above Directors. The properties held by the Group are mainly for commercial purpose while those held by the above Directors are mainly for residential purpose.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or their respective associates was interested in any business which competes or is likely to compete, either directly or indirectly, with business of the Group.

7. DIRECTORS' INTEREST IN CONTRACTS AND ASSETS

Save as disclosed below, no contract or arrangement in which any of the Directors is materially interested and which is significant in relation to the business of the Group subsisted as at the Latest Practicable Date.

- (a) a subscription agreement dated 24 July 2009 entered into between the Company and Eternally Smart Limited, a company indirectly wholly-owned by the AY Trust in relation to the subscription of the convertible bond to be issued by the Company to Eternally Smart Limited in an aggregate principal amount of HK\$1,200,000,000;
- (b) certain tenancy agreements, the rental receipts thereof by the Group from various connected persons which are ultimately owned by AY Trust; and
- (c) the interest bearing loan advanced from a wholly-owned subsidiary of AY Trust to the Group.

Note: Ms. Semon Luk, a director of the Company, being the spouse of Dr. Albert Yeung as the founder of the AY Trust, was deemed to have interest in above contracts and arrangements.

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which have been, since 31 March 2009 (the date to which the latest published audited consolidated accounts of the Group were made up), acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

8. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any member of the Group which is not determinable by the Group within one year without payment of compensation other than statutory compensation.

9. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the Tenancy Agreement is available for inspection from 9:00 a.m. to 1:00 p.m. and from 2:00 p.m. to 5:30 p.m. on any weekdays (except for public holidays) at the principal office of the Company at 28th Floor, Emperor Group Centre, 288 Hennessy Road, Wanchai, Hong Kong for a period of 14 days from the date of this circular.

10. MISCELLANEOUS

- The business address of the Company is at 28th Floor, Emperor Group Centre, 288 Hennessy Road, Wanchai, Hong Kong.
- The English text of this circular shall prevail over the Chinese text.

NOTICE OF SPECIAL GENERAL MEETING



英皇集團（國際）有限公司* Emperor International Holdings Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 163)

NOTICE IS HEREBY GIVEN that a special general meeting (“SGM”) of Emperor International Holdings Limited (“Company”) will be held at 11:00 a.m. on Thursday, 4 March 2010 at 28th Floor, Emperor Group Centre, 288 Hennessy Road, Wanchai, Hong Kong for the purpose of considering and, if thought fit, passing with or without modification the following resolution of the Company:

ORDINARY RESOLUTION

“**THAT**

- (a) the tenancy agreement (the “Tenancy Agreement”) dated 27 January 2010 and made between Richorse Limited (“Richorse”), an indirect wholly-owned subsidiary of the Company, as landlord and Beauty Royal as tenant in relation to the tenancy of Ground Floor (Shop B including the yard) and Office B and the Balcony adjacent thereto on First Floor, Tak Fat Building, 50-52 Russell Street, Causeway Bay, Hong Kong (a copy of which is marked “A” and has been produced to the meeting and signed by the Chairman of the meeting for the purpose of identification) be and is hereby approved, ratified and confirmed;
- (b) the Aggregate Annual Cap (as defined and more particularly described in the circular of the Company to its shareholders dated 12 February 2010) be and is hereby approved; and
- (c) any one director of the Company be and is hereby authorised on behalf of the Company to sign, seal, execute, perfect and deliver all such documents and do all such deeds, acts, matters and things as he/she may in his/her discretion consider necessary or desirable for the purpose of the implementation of the Tenancy Agreement and in respect of the Aggregate Annual Cap.”

By order of the Board
Emperor International Holdings Limited
Mok Fung Lin, Ivy
Company Secretary

Hong Kong, 12 February 2010

* *For identification purposes only*

NOTICE OF SPECIAL GENERAL MEETING

Registered Office:

Clarendon House
Church Street
Hamilton HM 11
Bermuda

Principal Office:

28th Floor,
Emperor Group Centre,
288 Hennessy Road,
Wanchai,
Hong Kong

Notes:

- (1) A member of the Company entitled to attend and vote at the SGM is entitled to appoint a proxy to attend and vote in his stead. A proxy needs not be a member of the Company but must be present in person to represent the member. A form of proxy for use at the SGM is enclosed herewith.
- (2) To be valid, the form of proxy together with any power of attorney or other authority under which it is signed or a notarially certified copy of that power of attorney or authority must be deposited with the Company's principal office at 28th Floor, Emperor Group Centre, 288 Hennessy Road, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the SGM or any adjournment thereof.
- (3) In the case of joint registered holders of any share in the capital of the Company, any one of such persons may vote at the SGM, either personally or by proxy, in respect of such Shares as if he/she was solely entitled thereto, but if more than one of such joint registered holders is present at the SGM, either personally or by proxy, that one of the said persons so present whose name stands first on the registrar of the members of the Company in respect of such Share shall alone be entitled to vote in respect thereof.
- (4) Completion and return of the form of proxy will not preclude members from attending and voting in person at the SGM or any adjourned meeting if you so wish. If a member attends the SGM after having deposited the form of proxy, his form of proxy will be deemed to have been revoked.