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英皇集團(國際)有限公司*
Emperor International Holdings Limited
(Incorporated in Bermuda with limited liability)
(Stock Code : 163)



英皇鐘錶珠寶有限公司
EMPEROR WATCH & JEWELLERY LIMITED
(Incorporated in Hong Kong with limited liability)
(Stock Code : 887)

CONTINUING CONNECTED TRANSACTION

The boards of directors of Emperor International and Emperor W&J announce that on 27 July 2017, Gold Pleasure as landlord entered into the Tenancy Agreement with Beauty Royal as tenant in relation to the tenancy of the Property.

Under Chapter 14A of the Listing Rules, Beauty Royal is a connected person of Emperor International whilst Gold Pleasure is a connected person of Emperor W&J and accordingly, the Tenancy Agreement constitutes a continuing connected transaction for both Emperor International and Emperor W&J.

As the applicable percentage ratios (as defined in the Listing Rules) 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%, the Tenancy Agreement is subject to the announcement, reporting and annual review requirements, but exempt from the respective shareholders' approval of both Emperor International and Emperor W&J under Chapter 14A of the Listing Rules.

The boards of directors of Emperor International and Emperor W&J announce that on 27 July 2017, Gold Pleasure as landlord entered into the Tenancy Agreement with Beauty Royal as tenant in relation to the tenancy of the Property.

TENANCY AGREEMENT DATED 27 JULY 2017

Landlord :	Gold Pleasure
Tenant :	Beauty Royal
Property	G/F, 1/F, 2/F, 3/F, 4/F (with gross floor area of 6,564 sq. ft.) and roof together with a right of use a wall-mount advertising signage on the external wall of 4-8 Canton Road, Kowloon, Hong Kong
Usage:	As retail shop
Term:	3 years from 1 August 2017 to 31 July 2020 (both days inclusive)
Rent:	HK\$4,362,000.00 per month, exclusive of rates and all other outgoings

** for identification purposes only*

Rent Free: 6 months (1 August 2017 to 31 January 2018)

Effective Rent: HK\$3,635,000.00 per month

Deposit: HK\$13,864,957.50 which is equivalent to three months' rent and rates

AGGREGATE ANNUAL CAPS OF THE TENANCY AGREEMENT, THE PREVIOUS SUB-LICENCE AGREEMENT AND THE PREVIOUS TENANCY AGREEMENT

Aggregate Annual Cap of Emperor International

The Aggregate Annual Cap of Emperor International under the Tenancy Agreement and the Previous Tenancy Agreement (which are aggregated under Rule 14A.81 of the Listing Rules) based on the total annual effective rental received / receivable by Emperor International thereunder for each of the years ending 31 March 2018, 2019, 2020 and 2021 will be as follows:

	2018 <i>HK\$</i>	2019 <i>HK\$</i>	2020 <i>HK\$</i>	2021 <i>HK\$</i>
Tenancy Agreement	29,080,000	43,620,000	43,620,000	14,540,000
Previous Tenancy Agreement ^(Note)	8,100,000	-	-	-
Total	<u>37,180,000</u>	<u>43,620,000</u>	<u>43,620,000</u>	<u>14,540,000</u>

Note: The Previous Tenancy Agreement was terminated on 15 May 2017, details of which were set out in the joint announcement of Emperor International and Emperor W&J dated 4 May 2017.

Aggregate Annual Cap of Emperor W&J

The Aggregate Annual Cap of Emperor W&J under the Tenancy Agreement, the Previous Sub-Licence Agreement and the Previous Tenancy Agreement (which are aggregated under Rule 14A.81 of the Listing Rules) based on the total annual effective licence fee / rental paid / payable by Emperor W&J thereunder for each of the years ending 31 December 2017, 2018, 2019 and 2020 will be as follows:

	2017 <i>HK\$</i>	2018 <i>HK\$</i>	2019 <i>HK\$</i>	2020 <i>HK\$</i>
Tenancy Agreement	18,175,000	43,620,000	43,620,000	25,445,000
Previous Sub-Licence Agreement ^(Note)	620,000	-	-	-
Previous Tenancy Agreement ^(Note)	17,600,000	-	-	-
Total	<u>36,395,000</u>	<u>43,620,000</u>	<u>43,620,000</u>	<u>25,445,000</u>

Note: The Previous Sub-Licence Agreement was terminated pursuant to a termination notice served by Gold Pleasure on 21 April 2017 and the Previous Tenancy Agreement was terminated on 15 May 2017, details of which were set out in the joint announcement of Emperor International and Emperor W&J dated 4 May 2017.

REASONS AND BENEFITS FOR THE TENANCY AGREEMENT

Emperor International is an investment holding company and its subsidiaries are principally engaged in property investments, property development and hospitality in the Greater China and overseas. Gold Pleasure is principally engaged in property investment. The Property is held by Gold Pleasure as investment properties for rental income.

Emperor W&J is an investment holding company and its subsidiaries are principally engaged in the sales of European-made internationally renowned and self-designed fine jewellery products in Hong Kong, Macau, the PRC and Singapore. Beauty Royal is principally engaged in the provision of group tenancy agent services for Emperor W&J and its subsidiaries.

The terms of the Tenancy Agreement are arrived at after arm's length negotiation and the rental of the Tenancy Agreement was determined with reference to the prevailing market rent of similar properties in the nearby locations. The directors of both Emperor International and Emperor W&J (including their respective independent non-executive directors) considered that the terms of the Tenancy Agreement are fair and reasonable and the transaction is on normal commercial terms, in the ordinary and usual course of business and in the interests of both Emperor International and Emperor W&J and their respective shareholders as a whole.

GENERAL

Gold Pleasure is an indirect wholly-owned subsidiary of Emperor International. Beauty Royal is an indirect wholly-owned subsidiary of Emperor W&J. Emperor International and Emperor W&J are both indirectly controlled by the AY Trust. As such, under Chapter 14A of the Listing Rules, Beauty Royal is a connected person of Emperor International whilst Gold Pleasure is a connected person of Emperor W&J and accordingly, the Tenancy Agreement constitutes a continuing connected transaction for both Emperor International and Emperor W&J.

Ms. Luk Siu Man, Semon, the Chairperson of Emperor International, did abstain from voting on the relevant board resolution(s) of Emperor International in view of her deemed interest in the transaction by virtue of being an associate of the eligible beneficiaries of the AY Trust. Ms. Cindy Yeung, the Chairperson of Emperor W&J, did abstain from voting on the relevant board resolution(s) of Emperor W&J in view of her deemed interest in the transaction by virtue of being one of the eligible beneficiaries of the AY Trust.

As the applicable percentage ratios (as defined in the Listing Rules) 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%, the Tenancy Agreement is subject to the announcement, reporting and annual review requirements, but exempt from the respective shareholders' approval of both Emperor International and Emperor W&J under Chapter 14A of the Listing Rules.

TERMS USED IN THIS ANNOUNCEMENT

“Aggregate Annual Cap of Emperor International”	the maximum amount of effective rental received / receivable by Emperor International under the Tenancy Agreement and the Previous Tenancy Agreement for each of the years ending 31 March 2018, 2019, 2020 and 2021 based on the total annual effective rental received / receivable thereunder
“Aggregate Annual Cap of Emperor W&J”	the maximum amount of effective licence fee / rental paid / payable by Emperor W&J under the Tenancy Agreement, the Previous Sub-Licence Agreement and the Previous Tenancy Agreement for each of the years ending 31 December 2017, 2018, 2019 and 2020 based on the total annual effective licence fee / rental paid / payable thereunder
“AY Trust”	The Albert Yeung Discretionary Trust, a discretionary trust set up by Dr. Yeung Sau Shing, Albert
“Beauty Royal” or “Tenant”	Beauty Royal Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of Emperor W&J
“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
“Gold Cheer”	Gold Cheer Corporation Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of Emperor International
“Gold Pleasure” or “Landlord”	Gold Pleasure Investment Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of Emperor International
“Happy Rain”	Happy Rain Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of Emperor International
“HK\$”	Hong Kong dollars
“Landlords”	Gold Pleasure, Total Treasure, Gold Cheer and Happy Rain
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	The People’s Republic of China

“Previous Sub-Licence Agreement”	the sub-licence agreement dated 28 December 2016 entered into between Gold Pleasure as licensor and Beauty Royal as licensee in relation to the sub-licensing of the projected signage at 4-8 Canton Road, Kowloon, Hong Kong with approximate area of 76.4 sq. m., details of which were set out in the announcement jointly published by Emperor International and Emperor W&J on 28 December 2016
“Previous Property”	All of that G/F and 1/F, Units A & B on 3/F, Portion A of Unit A on 4/F (with a total gross floor area of 6,261 sq. ft.) and roof together with a right to use the four outdoor advertising signs on the external walls to the building of 4-8 Canton Road, Kowloon, Hong Kong
“Previous Tenancy Agreement”	the tenancy agreement dated 23 December 2014 (as supplemented by the supplemental tenancy agreements dated 31 August 2015 and 27 May 2016) entered into between the Landlords and Beauty Royal as tenant in relation to the tenancy of the Previous Property, details of which were set out in the announcements jointly published by Emperor International and Emperor W&J on 23 December 2014, 31 August 2015 and 27 May 2016
“Property”	All of that G/F, 1/F, 2/F, 3/F, 4/F (with a total gross floor area of 6,564 sq. ft.) and roof together with a right of use a wall-mount advertising signage on the external wall of 4-8 Canton Road, Kowloon, Hong Kong
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tenancy Agreement”	a tenancy agreement dated 27 July 2017 entered into between Gold Pleasure as landlord and Beauty Royal as tenant in relation to the tenancy of the Property
“Total Treasure”	Total Treasure Investment Limited, a company incorporated in Hong Kong with Limited liability and an indirect wholly-owned subsidiary of Emperor International
“sq. ft.”	square feet
“sq. m.”	square metres
“%”	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

Hong Kong, 27 July 2017

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

Non-executive Director: Ms. Luk Siu Man, Semon

Executive Directors: Mr. Wong Chi Fai
Ms. Fan Man Seung, Vanessa
Mr. Cheung Ping Keung

Independent Non-executive Directors: Ms. Cheng Ka Yu
Mr. Wong Tak Ming, Gary
Mr. Chan Hon Piu

As at the date hereof, the board of directors of Emperor W&J comprises:

Executive Directors: Ms. Cindy Yeung
Mr. Chan Hung Ming
Mr. Wong Chi Fai
Ms. Fan Man Seung, Vanessa

Independent Non-Executive Directors: Ms. Chan Sim Ling, Irene
Mr. Liu Hing Hung
Ms. Chan Wiling, Yvonne