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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 30 June 2014, I Soi as landlord entered into the Tenancy Agreement with EWJ Macau as tenant in relation to the tenancy of the Properties.

I Soi is an indirect wholly-owned subsidiary of Emperor International. EWJ Macau is an indirect wholly-owned subsidiary of Emperor W&J. Both Emperor International and Emperor W&J are indirectly owned as to 74.83% and 52.57% respectively by the AY Trust. As such, EWJ Macau is a connected person of Emperor International whilst I Soi is a connected person of Emperor W&J under Chapter 14A of the Listing Rules. Accordingly, the Tenancy Agreement constitutes a continuing connected transaction for both Emperor International and Emperor W&J.

As the applicable percentage ratios on an annual basis calculated with reference to 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 is exempt from the approval of the respective independent shareholders 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 30 June 2014, I Soi as landlord entered into a Tenancy Agreement with EWJ Macau as tenant in relation to the tenancy of the Properties.

### **TENANCY AGREEMENT DATED 30 JUNE 2014**

Landlord:	I Soi
Tenant:	EWJ Macau
Property 1:	EM Macau, Avenida Do Infante D., Henrique N <sup>o</sup> S 67-69, Res-Do-Chao B & EM Macau, Rua Do Dr., Pedro Jose Lobo N <sup>o</sup> 5, Res-Do-Chao C2, Macau with gross floor area 1,600 sq. ft.
Property 2:	EM Macau, Avenida Do Infante D., Henrique N <sup>o</sup> 65-A, 1 <sup>o</sup> Andar B with gross floor area 1,575 sq. ft.

*\* for identification purposes only*

Term: 3 years from 1 July 2014 to 30 June 2017 (both days inclusive)

Rent: Property 1 - HK\$500,000.00 per month  
Property 2 - HK\$8,500.00 per month

All rents are exclusive of rates, management fee and all other outgoings charges, payable monthly in advance

Rent Free: Property 1 - 2 months from 1 July 2014 to 31 August 2014 (both days inclusive)

Effective Rent: Property 1 - HK\$472,222.22 per month  
Property 2 - HK\$8,500.00 per month

Deposit: Property 1 - HK\$1,500,000.00  
Property 2 - HK\$25,500.00

All deposits are equivalent to three months' rent

## **AGGREGATE ANNUAL CAPS OF THE TENANCY AGREEMENT AND THE PREVIOUS TENANCY AGREEMENT**

### ***Aggregate Annual Cap of Emperor International***

The Aggregate Annual Cap of Emperor International for the Tenancy Agreement and the Previous Tenancy Agreement (which are aggregated under Rule 14A.25 of the Listing Rules) based on the total annual effective rental received / receivable thereunder for each of the years ending 31 March 2015, 2016, 2017 and 2018 will be as follows:

	<b>2015</b> <i>HK\$</i>	<b>2016</b> <i>HK\$</i>	<b>2017</b> <i>HK\$</i>	<b>2018</b> <i>HK\$</i>
Tenancy Agreement	4,327,000	5,769,000	5,769,000	1,443,000
Previous Tenancy Agreement	1,054,000	-	-	-
Total	<u>5,381,000</u>	<u>5,769,000</u>	<u>5,769,000</u>	<u>1,443,000</u>

### ***Aggregate Annual Cap of Emperor W&J***

The Aggregate Annual Cap of Emperor W&J for the Tenancy Agreement and the Previous Tenancy Agreement (which are aggregated under Rule 14A.25 of the Listing Rules) based on the total annual effective rental paid / payable thereunder for each of the years ending 31 December 2014, 2015, 2016 and 2017 will be as follows:

	<b>2014</b> <i>HK\$</i>	<b>2015</b> <i>HK\$</i>	<b>2016</b> <i>HK\$</i>	<b>2017</b> <i>HK\$</i>
Tenancy Agreement	2,885,000	5,769,000	5,769,000	2,885,000
Previous Tenancy Agreement	2,108,000	-	-	-
Total	<u>4,993,000</u>	<u>5,769,000</u>	<u>5,769,000</u>	<u>2,885,000</u>

## **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 as well as hotel and hotel related operations in Hong Kong, Macau and the PRC. The Properties are owned by I Soi as investment properties for rental income.

Emperor W&J 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, the PRC and Singapore. Property 1 and Property 2 will be used by EWJ Macau for retail and domestic purposes respectively.

The terms of the Tenancy Agreement are arrived at after arm's length negotiation and are on normal commercial terms. 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 the respective independent non-executive directors) considered that the transaction is on normal commercial terms, in the ordinary and usual 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. Luk Siu Man, Semon, the Chairperson of Emperor International, and Ms. Cindy Yeung, the Chairperson of Emperor W&J, did abstain from voting at the respective relevant board resolution(s) of Emperor International and Emperor W&J in view of their deemed interests in the transaction by virtue of being the spouse of Dr. Yeung Sau Shing, Albert who is the founder of the AY Trust, and being one of the eligible beneficiaries of the AY Trust respectively. Mr. Wong Chi Fai and Ms. Fan Man Seung, Vanessa, being the common directors of both Emperor International and Emperor W&J, also abstained from voting at the relevant board resolution(s).

## **GENERAL**

I Soi is an indirect wholly-owned subsidiary of Emperor International and principally engaged in property investment. EWJ Macau is an indirect wholly-owned subsidiary of Emperor W&J and principally engaged in sales of luxurious branded watches and the design and sales of jewellery products in Macau.

Emperor International and Emperor W&J are indirectly owned as to 74.83% and 52.57% respectively by the AY Trust. As such, EWJ Macau is a connected person of Emperor International and I Soi is a connected person of Emperor W&J under Chapter 14A of the Listing Rules. Accordingly, the Tenancy Agreement constitutes a continuing connected transaction for both 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%, the Tenancy Agreement is subject to the reporting, announcement and annual review requirements, but is exempt from the approval of the respective independent shareholders of 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 I Soi under the Tenancy Agreement and the Previous Tenancy Agreement for each of the years ending 31 March 2015, 2016, 2017 and 2018 based on the total annual effective rental received/receivable thereunder
“Aggregate Annual Cap of Emperor W&J”	the maximum amount of effective rental paid / payable by EWJ Macau under the Tenancy Agreement and the Previous Tenancy Agreement for each of the years ending 31 December 2014, 2015, 2016 and 2017 based on the total annual effective rental paid/payable thereunder
“AY Trust”	The Albert Yeung Discretionary Trust, a discretionary trust set up by Dr. Yeung Sau Shing, Albert, a deemed substantial shareholder of Emperor International & 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
“EWJ Macau”	EWJ Macau Company Limited, a company incorporated in Macau with limited liability and an indirect wholly-owned subsidiary of Emperor W&J
“I Soi”	I Soi Limitada, a company incorporated in Macau with limited liability and an indirect wholly-owned subsidiary of Emperor International
“Previous Tenancy Agreement”	a tenancy agreement dated 30 June 2011 entered into between I Soi and EWJ Watch & Jewellery Company Limited (now known as EWJ Watch & Jewellery (Macau) Company Limited), a fellow subsidiary of EWJ Macau, in relation to the tenancy of the Properties for the period from 1 July 2011 to 30 June 2014 (both days inclusive), details of which were set out in the joint announcement of Emperor International and Emperor W&J dated 30 June 2011

“Properties”	Property 1 and Property 2
“Property 1”	EM Macau, Avenida Do Infante D., Henrique N <sup>o</sup> S 67-69, Res-Do-Chao B & EM Macau, Rua Do Dr., Pedro Jose Lobo N <sup>o</sup> 5, Res-Do-Chao C2, Macau with gross floor area 1,600 sq. ft.
“Property 2”	EM Macau, Avenida Do Infante D., Henrique N <sup>o</sup> 65-A, 1 <sup>o</sup> Andar B with gross floor area 1,575 sq. ft.
“HK\$”	Hong Kong dollars
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	The People’s Republic of China
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tenancy Agreement”	a tenancy agreement dated 30 June 2014 entered into between I Soi and EWJ Macau in relation to the renewal of tenancy of the Properties
“sq. ft.”	square feet
“%”	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, 30 June 2014

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:* Mr. Liu Hing Hung  
Ms. Cheng Ka Yu  
Mr. Wong Tak Ming, Gary

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. Yip Kam Man  
Mr. Chan Hon Piu  
Ms. Lai Ka Fung, May