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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 16 November 2017, Very Sound 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 Very Sound 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) 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 16 November 2017, Very Sound as landlord entered into the Tenancy Agreement with Beauty Royal as tenant in relation to the tenancy of the Property.

TENANCY AGREEMENT DATED 16 NOVEMBER 2017

Landlord:	Very Sound
Tenant:	Beauty Royal
Property:	Shop Units G01 to G05 on G/F, Emperor Group Centre, 288 Hennessy Road, Wanchai, Hong Kong with gross floor area of 5,762 sq. ft.
Usage:	As retail shop
Term:	3 years from 17 November 2017 to 16 November 2020 (both days inclusive)

** for identification purpose only*

Rent: 1st year: HK\$560,000.00 per month
 2nd year: HK\$580,000.00 per month
 3rd year: HK\$600,000.00 per month
 (exclusive of rates, management fees and air-conditioning charges and other outgoings)

Effective Rent: HK\$580,000.00 per month

Deposit: HK\$1,969,199.28 which is equivalent to three months' rent, rates and management fee

AGGREGATE ANNUAL CAPS OF THE TENANCY AGREEMENT AND THE PREVIOUS TENANCY AGREEMENTS

Aggregate Annual Cap of Emperor International

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

	2018	2019	2020	2021
	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>
Tenancy Agreement	2,591,000	6,960,000	6,960,000	4,370,000
First Previous Tenancy Agreement	753,000	1,004,000	1,004,000	251,000
Second Previous Tenancy Agreement	3,692,000	3,692,000	-	-
Third Previous Tenancy Agreement	4,710,000	-	-	-
Total	<u><u>11,746,000</u></u>	<u><u>11,656,000</u></u>	<u><u>7,964,000</u></u>	<u><u>4,621,000</u></u>

Aggregate Annual Cap of Emperor W&J

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

	2017	2018	2019	2020
	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>
Tenancy Agreement	851,000	6,960,000	6,960,000	6,110,000
First Previous Tenancy Agreement	502,000	1,004,000	1,004,000	502,000
Second Previous Tenancy Agreement	3,692,000	3,692,000	923,000	-
Third Previous Tenancy Agreement	6,584,000	-	-	-
Total	<u><u>11,629,000</u></u>	<u><u>11,656,000</u></u>	<u><u>8,887,000</u></u>	<u><u>6,612,000</u></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 and hospitality in the Greater China and overseas. Very Sound is principally engaged in property investment. The Property is held by Very Sound as investment property 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 watches 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 was determined with reference to the prevailing market rental of similar property 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

Very Sound 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 Very Sound 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 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 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) 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 Agreements 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 rental paid / payable by Emperor W&J under the Tenancy Agreement and the Previous Tenancy Agreements for each of the years ending 31 December 2017, 2018, 2019 and 2020 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
“Beauty Royal”	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
“First Previous Property”	Unit 1001, 10/F, Emperor Group Centre, 288 Hennessy Road, Wanchai, Hong Kong with gross floor area of 2,324 sq. ft.
“First Previous Tenancy Agreement”	the tenancy agreement dated 29 June 2017 entered into between Headwise as landlord and Beauty Royal as tenant in relation to the tenancy of the First Previous Property for the period from 1 July 2017 to 30 June 2020 (both days inclusive), details of which were set out in the joint announcement of Emperor International and Emperor W&J dated 29 June 2017
“Headwise”	Headwise Investments Limited, a company incorporated in Hong Kong with limited liability and indirect wholly-owned subsidiary of Emperor International
“HK\$”	Hong Kong dollars
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	The People’s Republic of China

“Previous Tenancy Agreements”	the First Previous Tenancy Agreement, the Second Previous Tenancy Agreement and the Third Previous Tenancy Agreement
“Property”	Shop Units G01 to G05 on G/F, Emperor Group Centre, 288 Hennessy Road, Wanchai, Hong Kong with gross floor area of 5,762 sq. ft.
“Second Previous Property”	The whole of 25/F (with gross floor area of 9,323 sq. ft.) and Car Parking Space No. 27, B2/F, Emperor Group Centre, 288 Hennessy Road, Wanchai, Hong Kong
“Second Previous Tenancy Agreement”	the tenancy agreement dated 31 March 2016 entered into between Very Sound as landlord and Beauty Royal as tenant in relation to the Second Previous Property for the period from 1 April 2016 to 31 March 2019 (both days inclusive), details of which were set out in the joint announcement of Emperor International and Emperor W&J dated 1 April 2016
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tenancy Agreement”	the tenancy agreement dated 16 November 2017 entered into between Very Sound as landlord and Beauty Royal as tenant in relation to the tenancy of the Property
“Third Previous Tenancy Agreement”	the tenancy agreement dated 14 November 2014 entered into between Very Sound as landlord and Beauty Royal as tenant in relation to the tenancy of the Property for the period from 17 November 2014 to 16 November 2017 (both days inclusive), details of which were set out in the joint announcement of Emperor International and Emperor W&J dated 14 November 2014
“Very Sound”	Very Sound Investments Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of Emperor International
“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, 16 November 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