

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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 2012, Very Sound as landlord entered into the Tenancy Agreement with Beauty Royal as tenant in relation to the tenancy of the Property.

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 indirectly owned as to 74.93% and 53.73% 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 Very Sound 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 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 Tenancy 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 16 November 2012, 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 2012

Landlord: Very Sound

Tenant: Beauty Royal

** for identification purposes only*

| | |
|-------------------|--|
| Property: | Shops G01-02, Ground Floor, Emperor Group Centre, 288 Hennessy Road, Wanchai, Hong Kong with gross floor area of 948 sq. ft. |
| Usage: | for retail shop |
| Term: | 2 years from 17 November 2012 to 16 November 2014 (both days inclusive) |
| Rent free period: | 1 month from 17 November 2012 to 16 December 2012 (both days inclusive) |
| Rent: | HK\$110,000.00 per month, exclusive of rates, management fees and all other outgoings, payable monthly in advance |
| Effective Rent: | HK\$105,416.67 per month |
| Deposit: | HK\$349,923.00 which is equivalent to three months' rent, management fee and rates |

AGGREGATE ANNUAL CAP OF THE TENANCY AGREEMENT, THE FIRST PREVIOUS TENANCY AGREEMENT, THE SECOND PREVIOUS TENANCY AGREEMENT, THE THIRD PREVIOUS TENANCY AGREEMENT AND THE FOURTH PREVIOUS TENANCY AGREEMENT

The Aggregate Annual Cap of Emperor International for the Tenancy Agreement, the First Previous Tenancy Agreement, the Second Previous Tenancy Agreement, the Third Previous Tenancy Agreement and the Fourth Previous Tenancy Agreement (which are aggregated under Rule 14A.25 of the Listing Rules) based on the total annual effective rental received/receivable under the Tenancy Agreement, the First Previous Tenancy Agreement, the Second Previous Tenancy Agreement, the Third Previous Tenancy Agreement and the Fourth Previous 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> |
|-----------------------------------|----------------------------|----------------------------|----------------------------|
| Tenancy Agreement | 471,000 | 1,266,000 | 795,000 |
| First Previous Tenancy Agreement | 299,000 | 225,000 | - |
| Second Previous Tenancy Agreement | 634,800 | - | - |
| Third Previous Tenancy Agreement | 5,040,000 | - | - |
| Fourth Previous Tenancy Agreement | 2,186,400 | - | - |
| Total | <u>8,631,200</u> | <u>1,491,000</u> | <u>795,000</u> |

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

| | 2012 <i>HK\$</i> | 2013 <i>HK\$</i> | 2014 <i>HK\$</i> |
|-----------------------------------|----------------------------|----------------------------|----------------------------|
| Tenancy Agreement | 155,000 | 1,266,000 | 1,111,000 |
| First Previous Tenancy Agreement | 299,000 | 299,000 | - |
| Second Previous Tenancy Agreement | 634,800 | 158,700 | - |
| Third Previous Tenancy Agreement | 5,040,000 | 1,260,000 | - |
| Fourth Previous Tenancy Agreement | 2,186,400 | 546,600 | - |
| Total | <u>8,315,200</u> | <u>3,530,300</u> | <u>1,111,000</u> |

REASONS AND BENEFITS FOR THE TENANCY 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 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. Emperor W&J considers the Property is a suitable location for retail purpose.

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 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 Tenancy 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. 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 board meetings 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

Very Sound 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 53.73% 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 Very Sound 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 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 Tenancy 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.

TERMS USED IN THIS ANNOUNCEMENT

“Aggregate Annual Cap of Emperor International”

the maximum amount of effective rental receivable under the Tenancy Agreement, the First Previous Tenancy Agreement, the Second Previous Tenancy Agreement, the Third Previous Tenancy Agreement and the Fourth Previous Tenancy Agreement based on the total annual effective rental received/receivable under the Tenancy Agreement, the First Previous Tenancy Agreement, the Second Previous Tenancy Agreement, the Third Previous Tenancy Agreement and the Fourth Previous Tenancy Agreement for each of the years ending 31 March 2013, 2014 and 2015

“Aggregate Annual Cap of Emperor W&J”

the maximum amount of effective rental payable under the Tenancy Agreement, the First Previous Tenancy Agreement, the Second Previous Tenancy Agreement, the Third Previous Tenancy Agreement and the

| | |
|-------------------------------------|---|
| | <p>Fourth Previous Tenancy Agreement based on the total annual effective rental paid/payable under the Tenancy Agreement, the First Previous Tenancy Agreement, the Second Previous Tenancy Agreement, the Third Previous Tenancy Agreement and the Fourth Previous Tenancy Agreement for each of the years ending 31 December 2012, 2013 and 2014</p> |
| “AY Trust” | <p>The Albert Yeung Discretionary Trust, a discretionary trust set up by Dr. Albert Yeung</p> |
| “Beauty Royal” | <p>Beauty Royal Limited, a company incorporated in Hong Kong and an indirect wholly-owned subsidiary of Emperor W&J and is principally engaged in the provision group tenancy agent services for Emperor W&J and its subsidiaries</p> |
| “Dr. Albert Yeung” | <p>Dr. Yeung Sau Shing, Albert</p> |
| “Emperor International” | <p>Emperor International Holdings Limited, an exempted company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange</p> |
| “Emperor W&J” | <p>Emperor Watch & Jewellery Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Stock Exchange</p> |
| “ First Previous Property” | <p>Unit 1505, 15/F., Emperor Group Centre, 288 Hennessy Road, Wanchai, Hong Kong with gross floor area of 941 sq. ft.</p> |
| “ First Previous Tenancy Agreement” | <p>A tenancy agreement dated 16 December 2011 entered into between Headwise and Beauty Royal in relation to the tenancy of the First Previous Property for the period from 1 January 2012 to 31 December 2013 (both days inclusive), details were set out in the joint announcement of Emperor International and Emperor W&J dated 16 December 2011</p> |

| | |
|-------------------------------------|---|
| “Fourth Previous Property” | Unit 2501-05, 25/F., Emperor Group Centre, 288 Hennessy Road, Wanchai, Hong Kong with gross floor area of 7,288 sq. ft. |
| “Fourth Previous Tenancy Agreement” | a tenancy agreement dated 30 March 2010 entered into between Very Sound and Beauty Royal in relation to the tenancy of the Fourth Previous Property for the period from 1 April 2010 to 31 March 2013 (both days inclusive), details were set out in the joint announcement of Emperor International and Emperor W&J dated 30 March 2010 |
| “Headwise” | Headwise Investment Limited, a company incorporated in Hong Kong and an indirect wholly-owned subsidiary of Emperor International and is principally engaged in property investment |
| “HK\$” | Hong Kong dollars |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “PRC” | The People’s Republic of China |
| “Property” | Shops G01-02, Ground Floor, Emperor Group Centre, 288 Hennessy Road, Wanchai, Hong Kong with gross floor area of 948 sq.ft. |
| “Second Previous Property” | Unit 2507, 25/F., Emperor Group Centre, 288 Hennessy Road, Wanchai, Hong Kong with gross floor area of 2,035 sq. ft. |
| “Second Previous Tenancy Agreement” | a tenancy agreement dated 14 September 2010 entered into between Very Sound and Beauty Royal in relation to the tenancy of the Second Previous Property for the period from 13 September 2010 to 31 March 2013 (both days inclusive), details were set out in the joint announcement of Emperor International and Emperor W&J dated 14 September 2010 |
| “sq. ft.” | square feet |

| | |
|------------------------------------|---|
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Tenancy Agreement” | a tenancy agreement dated 16 November 2012 entered into between Very Sound and Beauty Royal in relation to the tenancy of the Property |
| “Third Previous Property” | Shops G03-05, Ground Floor, Emperor Group Centre, 288 Hennessy Road, Wanchai, Hong Kong with gross floor area of 4,814 sq. ft. |
| “Third Previous Tenancy Agreement” | a tenancy agreement dated 30 March 2010 entered into between Very Sound and Beauty Royal in relation to the tenancy of the Third Previous Property for the period from 1 April 2010 to 31 March 2013 (both days inclusive), details were set out in the joint announcement of Emperor International and Emperor W&J dated 30 March 2010 |
| “Very Sound” | Very Sound Investments Limited, a company incorporated in Hong Kong and an indirect wholly-owned subsidiary of Emperor International and is 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

Hong Kong, 16 November 2012

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. Chan Man Hon, Eric
Mr. Liu Hing Hung
Ms. Cheng Ka Yu

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

Non-executive Director: Mr. Hanji Huang

Independent Non-Executive Directors: Ms. Yip Kam Man
Mr. Chan Hon Piu
Ms. Lai Ka Fung, May