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**英皇娛樂酒店有限公司\***  
**Emperor Entertainment Hotel Limited**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 296)**



**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 TRANSACTIONS**

The boards of directors of Emperor EH and Emperor W&J announce that on 28 March 2012, Pacific Strong as landlord and EWJ Macau as tenant have entered into the Tenancy Agreement for the renewal of tenancy of the Property.

Pacific Strong is an indirect subsidiary owned as to 60% by Emperor EH. EWJ Macau is an indirect wholly-owned subsidiary of Emperor W&J. Both Emperor EH and Emperor W&J are indirectly owned as to 61.50% and 53.04% respectively by the AY Trust, a discretionary trust set up by Dr. Albert Yeung, a deemed substantial shareholder of Emperor EH and Emperor W&J. As such, EWJ Macau is a connected person of Emperor EH and Pacific Strong 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 EH and Emperor W&J.

As the applicable percentage ratios on an annual basis calculated with reference to the Aggregate Annual Cap of both Emperor EH 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 Cap of both Emperor EH and Emperor W&J are subject to 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 EH and Emperor W&J in accordance with Rule 14A.34 of the Listing Rules.

The boards of directors of Emperor EH and Emperor W&J announce that on 28 March 2012, Pacific Strong as landlord and EWJ Macau as tenant have entered into the Tenancy Agreement for the renewal of tenancy of the Property.

\* *for identification purposes only*

## TENANCY AGREEMENT DATED 28 MARCH 2012

Landlord:	Pacific Strong
Tenant:	EWJ Macau
Property:	Shop Nos. 1, 2, 3 and 4 on G/F., Grand Emperor Hotel, 251-292D Avenida Comercial de Macau, Macau with gross floor area of 4,391 sq. ft.
Usage:	for the operation of retail shop
Term:	3 years from 1 April 2012 to 31 March 2015, both days inclusive
Rent/Effective Rental:	HK\$344,000.00 per month, inclusive of rates, but exclusive of management fees and all other outgoings, payable monthly in advance
Deposit:	HK\$1,032,000 which is equivalent to three months' rent

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

The Aggregate Annual Cap of Emperor EH in respect of 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 receivable under the Tenancy Agreement and the 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	4,128,000	4,128,000	4,128,000
Previous Tenancy Agreement	1,768,000	1,768,000	442,000 <i>(Note)</i>
Total	<u>5,896,000</u>	<u>5,896,000</u>	<u>4,570,000</u>

*Note:* The amount is calculated by the effective rental to be paid for the period from 1 April 2014 to 30 June 2014 under the Previous Tenancy Agreement

The Aggregate Annual Cap of Emperor W&J in respect of 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 payable under the Tenancy Agreement and the Previous Tenancy Agreement for each of the years ending 31 December 2012, 2013, 2014 and 2015 will be as follows:–

	2012 <i>HK\$</i>	2013 <i>HK\$</i>	2014 <i>HK\$</i>	2015 <i>HK\$</i>
Tenancy Agreement	3,771,625 <i>(Note 1)</i>	4,128,000	4,128,000	1,032,000
Previous Tenancy Agreement	1,768,000	1,768,000	884,000 <i>(Note 2)</i>	–
Total	<u>5,539,625</u>	<u>5,896,000</u>	<u>5,012,000</u>	<u>1,032,000</u>

*Notes:*

1. The sum includes the effective rental of HK\$675,625 paid/to be paid for the period from 1 January 2012 to 31 March 2012 under the current tenancy agreement in respect of the Property. The current tenancy agreement dated 25 March 2009 entered into between Pacific Strong as landlord and EWJ Macau as tenant in relation to the Property will expire on 31 March 2012.
2. The amount is calculated by the effective rental to be paid for the period from 1 January 2014 to 30 June 2014 under the Previous Tenancy Agreement.

## **REASONS AND BENEFITS FOR THE TENANCY AGREEMENT**

Emperor EH is an investment holding company and its subsidiaries are principally engaged in gaming operations and provision of entertainment and hospitality services in Macau. The Property is held by Emperor EH 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. The premises under the Tenancy Agreement have been rented to Emperor W&J for the operation of watch and jewellery retail shop.

The terms of Tenancy Agreement are arrived at after arm's length negotiation and are on normal commercial terms. The rental of the Property was determined by reference to the prevailing market rent of similar properties in the nearby locations. The directors of both Emperor EH and Emperor W&J (including the independent non-executive directors) 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 both of Emperor EH and Emperor W&J and their respective shareholders as a whole. Ms. Luk Siu Man, Semon, the Chairperson of Emperor EH and Ms. Cindy Yeung, the Chairperson and Managing Director of Emperor W&J, did abstain from voting at the respective board meetings of Emperor EH and Emperor W&J in view of their deemed interests in the transaction by virtue of being the spouse of Dr. Albert Yeung and being one of the eligible beneficiaries of the AY Trust respectively.

## **GENERAL**

Pacific Strong is an indirect subsidiary owned as to 60% by Emperor EH and principally engaged in hotel operation in Macau. EWJ Macau is an indirect wholly-owned subsidiary of Emperor W&J and 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 EH and Emperor W&J are indirectly owned as to 61.50% and 53.04% respectively by the AY Trust, a discretionary trust set up by Dr. Albert Yeung, a deemed substantial shareholder of Emperor EH and Emperor W&J. As such, EWJ Macau is a connected person of Emperor EH and Pacific Strong 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 EH and Emperor W&J.

As the applicable percentage ratios on an annual basis calculated with reference to the Aggregate Annual Cap of both Emperor EH 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 Cap of both Emperor EH and Emperor W&J are subject to 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 EH and Emperor W&J in accordance with Rule 14A.34 of the Listing Rules.

## **TERMS USED IN THIS ANNOUNCEMENT**

“Aggregate Annual Cap of Emperor EH”	the maximum amount of effective rental receivable under the Tenancy Agreement and the Previous Tenancy Agreement, based on the total annual effective rental receivable under the Tenancy Agreement and the Previous Tenancy Agreement for each of the years ending 31 March 2013, 2014 and 2015
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“Aggregate Annual Cap of Emperor W&J”	the maximum amount of effective rental payable under the Tenancy Agreement and the Previous Tenancy Agreement, based on the total annual effective rental payable under the Tenancy Agreement and the Previous Tenancy Agreement for each of the years ending 31 December 2012, 2013, 2014 and 2015
“AY Trust”	The Albert Yeung Discretionary Trust, a discretionary trust set up by Dr. Albert Yeung
“Dr. Albert Yeung”	Dr. Yeung Sau Shing, Albert
“Emperor EH”	Emperor Entertainment Hotel 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 Watch and Jewellery Company Limited, a company incorporated in Macau with limited liability and an indirect wholly-owned subsidiary of Emperor W&J and principally engaged in operation of a first class jewellery shop for sale of jewellery, watches and/or other accessories
“HK\$”	Hong Kong dollars
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Pacific Strong”	Pacific Strong Bases (Holding) Company Limited, a company incorporated in Macau and a subsidiary owned as to 60% by Emperor EH and principally engaged in the hotel operation of Emperor EH
“PRC”	The People’s Republic of China
“Property”	Shop Nos. 1, 2, 3 and 4 on G/F., Grand Emperor Hotel, 251-292D Avenida Comercial de Macau, Macau with gross floor area of 4,391 sq. ft.

“Previous Tenancy Agreement” a tenancy agreement dated 28 June 2011 entered into between Pacific Strong and EWJ Macau in relation to the tenancy of Shop No. 5 on G/F., Grand Emperor Hotel, 251-292D Avenida Comercial De Macau, Macau with gross floor area of 1,560 sq. ft., details were set out in the joint announcement of Emperor EH and Emperor W&J dated 28 June 2011

“sq. ft.” square feet

“Stock Exchange” The Stock Exchange of Hong Kong Limited

“Tenancy Agreement” the tenancy agreement dated 28 March 2012 entered into between Pacific Strong and EWJ Macau in relation to the renewal of tenancy of the Property

By order of the Board  
**Emperor Entertainment Hotel Limited**  
**Luk Siu Man, Semon**  
*Chairperson*

By order of the Board  
**Emperor Watch & Jewellery Limited**  
**Cindy Yeung**  
*Chairperson and Managing Director*

Hong Kong, 28 March 2012

*As at the date hereof, the board of directors of Emperor EH comprised:*

*Non-executive Director:* Ms. Luk Siu Man, Semon (*Chairperson*)

*Executive Directors:* Mr. Wong Chi Fai  
Ms. Fan Man Seung, Vanessa

*Independent Non-executive Directors:* Ms. Chan Sim Ling, Irene  
Ms. Chan Wiling, Yvonne  
Ms. Wan Choi Ha

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

*Executive Directors:* Ms. Cindy Yeung (*Chairperson and Managing Director*)  
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