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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 TRANSACTION

The boards of directors of Emperor E Hotel and Emperor W&J announce that on 30 June 2014, Grand Emperor as landlord entered into the Tenancy Agreement with EWJ Macau as tenant in relation to the tenancy of the Property.

Grand Emperor is an indirect subsidiary owned as to 60% by Emperor E Hotel. EWJ Macau is an indirect wholly-owned subsidiary of Emperor W&J. Both Emperor E Hotel and Emperor W&J are indirectly owned as to 62.39% and 52.57% respectively by the AY Trust. As such, EWJ Macau is a connected person of Emperor E Hotel whilst Grand Emperor 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 E Hotel and Emperor W&J.

As the applicable percentage ratios on an annual basis calculated with reference to the Aggregate Annual Caps of both Emperor E Hotel 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 E Hotel and Emperor W&J under Chapter 14A of the Listing Rules under Chapter 14A of the Listing Rules.

The boards of directors of Emperor E Hotel and Emperor W&J announce that on 30 June 2014, Grand Emperor as landlord entered into the Tenancy Agreement with EWJ Macau as tenant in relation to the tenancy of the Property.

TENANCY AGREEMENT DATED 30 JUNE 2014

Landlord: Grand Emperor

Tenant: EWJ Macau

Property: Shop No. 5 on G/F., EM Macau, Travessa Central Da Praia Grande NoS 11-41, Hotel Animacao Imperial (also known as Shop No. 5 on G/F., Grand Emperor Hotel, 251-292D Avenida Commercial De Macau) with gross floor area of 1,560 sq. ft.

Usage: for retail shop

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

Rent/Effective Rental: HK\$187,200.00 per month, exclusive of rates, management fees and all other outgoings charges, payable monthly in advance

Deposit: HK\$561,600.00 which is equivalent to three months' rent

AGGREGATE ANNUAL CAPS OF THE TENANCY AGREEMENT AND PREVIOUS TENANCY AGREEMENTS

Aggregate Annual Cap of Emperor E Hotel

The Aggregate Annual Cap of Emperor E Hotel for the Tenancy Agreement and the Previous Tenancy Agreements (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:

	2015 <i>HK\$</i>	2016 <i>HK\$</i>	2017 <i>HK\$</i>	2018 <i>HK\$</i>
Tenancy Agreement	1,684,800	2,246,400	2,246,400	561,600
First Previous Tenancy Agreement	442,000	-	-	-
	<i>(Note)</i>			
Second Previous Tenancy Agreement	4,128,000	-	-	-
Total	<u>6,254,800</u>	<u>2,246,400</u>	<u>2,246,400</u>	<u>561,600</u>

Note: The amount is calculated by the effective rental received for the period from 1 April 2014 to 30 June 2014 under the First Previous Tenancy Agreement.

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.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:

	2014 <i>HK\$</i>	2015 <i>HK\$</i>	2016 <i>HK\$</i>	2017 <i>HK\$</i>
Tenancy Agreement	1,123,200	2,246,400	2,246,400	1,123,200
First Previous Tenancy Agreement	884,000	-	-	-
	<i>(Note)</i>			
Second Previous Tenancy Agreement	4,128,000	1,032,000	-	-
Total	<u>6,135,200</u>	<u>3,278,400</u>	<u>2,246,400</u>	<u>1,123,200</u>

Note: The amount is calculated by the effective rental paid for the period from 1 January 2014 to 30 June 2014 under the First Previous Tenancy Agreement.

REASONS AND BENEFITS FOR THE TENANCY AGREEMENT

Emperor E Hotel is an investment holding company and its subsidiaries are principally engaged in the provision of entertainment and hospitality services in Macau. The Property is held by Grand Emperor 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, the PRC and Singapore.

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 E Hotel 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 E Hotel and Emperor W&J and their respective shareholders as a whole. Ms. Luk Siu Man, Semon, the Chairperson of Emperor E Hotel, and Ms. Cindy Yeung, the Chairperson of Emperor W&J, did abstain from voting on the relevant board resolution(s) of Emperor E Hotel 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 E Hotel and Emperor W&J, also abstained from voting on the relevant board resolution(s).

GENERAL

Grand Emperor is an indirect subsidiary owned as to 60% by Emperor E Hotel and principally engaged in hotel and hotel related operations 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 Macau.

Emperor E Hotel and Emperor W&J are indirectly owned as to 62.39% and 52.57% respectively by the AY Trust. As such, Emperor W&J is a connected person of Emperor E Hotel whilst Grand Emperor 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 E Hotel and Emperor W&J.

As the applicable percentage ratios on an annual basis calculated with reference to the Aggregate Annual Caps of both Emperor E Hotel 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 Emperor E Hotel and Emperor W&J under Chapter 14A of the Listing Rules.

TERMS USED IN THIS ANNOUNCEMENT

“Aggregate Annual Cap of Emperor E Hotel”	the maximum amount of effective rental received / receivable by Grand Emperor under the Tenancy Agreement and the Previous Tenancy Agreements, for each of the years ending 31 March 2015, 2016, 2017 and 2018 based on the total annual effective rental received / receivable thereunder
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“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 Agreements 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 E Hotel & Emperor W&J
“Emperor E Hotel”	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 Macau Company Limited, a company incorporated in Macau with limited liability and an indirect wholly-owned subsidiary of Emperor W&J
“EWJ Watch & Jewellery”	EWJ Watch & Jewellery (Macau) Company Limited (formerly known as EWJ Watch & Jewellery Company Limited), a company incorporated in Macau with limited liability and a fellow subsidiary of EWJ Macau
“First Previous Property” or “Property”	Shop No. 5 on G/F., EM Macau, Travessa Central Da Praia Grande NoS 11-41, Hotel Animacao Imperial (also known as Shop No. 5 on G/F., Grand Emperor Hotel, 251-292D Avenida Commercial De Macau) with gross floor area of 1,560 sq. ft.
“First Previous Tenancy Agreement”	a tenancy agreement dated 28 June 2011 entered into between Pacific Strong and EWJ Watch & Jewellery in relation to the tenancy of the First Previous Property for the period from 1 July 2011 to 30 June 2014 (both days inclusive), details were set out in the joint announcement of Emperor E Hotel and Emperor W&J dated 28 June 2011
“Grand Emperor” or “Pacific Strong”	Grand Emperor Entertainment & Hotel (Macau) Limited (formerly known as Pacific Strong Bases (Holding) Company Limited), a company incorporated in Macau with limited liability and an indirect subsidiary owned as to 60% by Emperor E Hotel
“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 and the Second Previous Tenancy Agreement
“Second Previous Property”	Shop No. 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.
“Second Previous Tenancy Agreement”	a tenancy agreement dated 28 March 2012 entered into between Pacific Strong and EWJ Watch & Jewellery in relation to the tenancy of the Second Previous Property for the period from 1 April 2012 to 31 March 2015 (both days inclusive), details of which were set out in the joint announcement of Emperor E Hotel and Emperor W&J dated 28 March 2012. The tenancy of the Second Previous Property has been assigned to EWJ Macau as the new tenant since 1 June 2014
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tenancy Agreement”	a tenancy agreement dated 30 June 2014 entered into between Grand Emperor and EWJ Macau in relation to the renewal of tenancy of the Property
"sq. ft."	square feet
“%”	per cent

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

Hong Kong, 30 June 2014

As at the date hereof, the board of directors of Emperor E Hotel comprised:

Non-executive Director:	Ms. Luk Siu Man, Semon
Executive Directors:	Mr. Wong Chi Fai Ms. Fan Man Seung, Vanessa
Independent Non-executive Directors:	Ms. Chan Wiling, Yvonne Ms. Wan Choi Ha Mr. Yu King Tin

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

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