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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 TRANSACTIONS

The boards of directors of Emperor International and Emperor W&J announce that on 14 November 2014, Planwing as licensor entered into the Licence Agreement with Beauty Royal as licensee in relation to the licensing of the Signage whilst Very Sound as landlord entered into the Tenancy Agreement with Beauty Royal as tenant in relation to the tenancy of the Property.

Planwing and Very Sound are indirect wholly-owned subsidiaries of Emperor International. Beauty Royal is an indirect wholly-owned subsidiary of Emperor W&J. Both Emperor International and Emperor W&J are indirectly controlled by the AY Trust. As such, Beauty Royal is a connected person of Emperor International whilst Planwing and Very Sound are connected persons of Emperor W&J under Chapter 14A of the Listing Rules. Accordingly, the Licence Agreement and the Tenancy Agreement constitute continuing connected transactions for both Emperor International and Emperor W&J.

As the applicable percentage ratios on an annual basis calculated with reference to the First Aggregate Annual Caps and the Second Aggregate Annual Caps of both Emperor International and Emperor W&J are more than 0.1% but less than 5%, the Licence Agreement and the Tenancy Agreement are subject to the announcement, reporting and annual review requirements, but 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 14 November 2014, Planwing as licensor entered into the Licence Agreement with Beauty Royal as licensee in relation to the licensing of the Signage whilst Very Sound as landlord entered into the Tenancy Agreement with Beauty Royal as tenant in relation to the tenancy of the Property.

LICENCE AGREEMENT DATED 14 NOVEMBER 2014

Licensor: Planwing

Licensee: Beauty Royal

Signage: Signage Space B on 1/F facing Russell Street, Emperor Watch and Jewellery Centre (formerly known as No. 8 Russell Street), No. 8 Russell Street, Causeway Bay, Hong Kong

Usage:	For advertising purpose
Term:	3 years from 30 November 2014 to 29 November 2017 (both days inclusive)
Licence Fee:	HK\$250,000.00 per month, exclusive of management fee, rates and all other outgoings charges
Deposit:	HK\$753,825.00 which is equivalent to three months' licence fee, management fee and rates

FIRST AGGREGATE ANNUAL CAPS OF THE LICENCE AGREEMENT, THE PREVIOUS LICENCE AGREEMENT AND THE PREVIOUS TENANCY AGREEMENTS

First Aggregate Annual Cap of Emperor International

The First Aggregate Annual Cap of Emperor International for the Licence Agreement, the Previous Licence Agreement and the Previous Tenancy Agreements (which are aggregated under Rule 14A.81 of the Listing Rules) based on the total annual effective licence fee / 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>
Licence Agreement	1,009,000	3,000,000	3,000,000	1,992,000
Previous Licence Agreement	1,992,000	-	-	-
First Previous Tenancy Agreement	11,132,000	33,120,000	33,120,000	21,988,000
Second Previous Tenancy Agreement	10,660,000 <i>(Note)</i>	-	-	-
Third Previous Tenancy Agreement	20,500,000	37,084,000	37,084,000	16,585,000
Fourth Previous tenancy Agreement	16,067,000	-	-	-
Total	<u>61,360,000</u>	<u>73,204,000</u>	<u>73,204,000</u>	<u>40,565,000</u>

Note: The amount represents the effective rental received for the period from 1 April 2014 to 11 September 2014 (the date of early termination as agreed between both parties) under the Second Previous Tenancy Agreement.

First Aggregate Annual Cap of Emperor W&J

The First Aggregate Annual Cap of Emperor W&J for the Licence Agreement, Previous Licence Agreement and the Previous Tenancy Agreements (which are aggregated under Rule 14A.81 of the Listing Rules) based on the total annual effective licence fee / 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>
Licence Agreement	259,000	3,000,000	3,000,000	2,742,000
Previous Licence Agreement	2,742,000	-	-	-
First Previous Tenancy Agreement	2,737,000	31,784,000	31,784,000	29,047,000
Second Previous Tenancy Agreement	16,619,000 <i>(Note)</i>	-	-	-
Third Previous Tenancy Agreement	11,228,000	37,084,000	37,084,000	25,856,000
Fourth Previous Tenancy Agreement	22,117,000	-	-	-
Total	<u>55,702,000</u>	<u>71,868,000</u>	<u>71,868,000</u>	<u>57,645,000</u>

Note: The amount represents the effective rental paid for the period from 1 January 2014 to 11 September 2014 (the date of early termination as agreed between both parties) under the Second Previous Tenancy Agreement.

TENANCY AGREEMENT DATED 14 NOVEMBER 2014

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: For retail shops

Term: 3 years from 17 November 2014 to 16 November 2017 (both days inclusive)

Rent: 1st year: HK\$660,000.00 per month
2nd year: HK\$680,000.00 per month
3rd year: HK\$700,000.00 per month
Exclusive of rates, management fees, air-conditioning fee and all other outgoings charges

Rent Free: 3 months (17 November 2014 to 16 February 2015)

Effective Rent: HK\$625,000.00 per month

Deposit: HK\$2,261,523.00 which is equivalent to three months' rent, management fee and rates

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

Second Aggregate Annual Cap of Emperor International

The Second Aggregate Annual Cap of Emperor International for the Tenancy Agreement and the Previous EGC 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 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	2,800,000	7,500,000	7,500,000	4,710,000
Fifth Previous Tenancy Agreement	343,000	343,000	-	-
Sixth Previous Tenancy Agreement	3,480,000	3,480,000	-	-
Seventh Previous Tenancy Agreement	4,150,000 <i>(Note)</i>	-	-	-
Eighth Previous Tenancy Agreement	795,000	-	-	-
Total	<u>11,568,000</u>	<u>11,323,000</u>	<u>7,500,000</u>	<u>4,710,000</u>

Note: The amount represents the effective rental received for the period from 1 April 2013 to 16 November 2014 (the date of early termination as agreed between both parties) under the Seventh Previous Tenancy Agreement.

Second Aggregate Annual Cap of Emperor W&J

The Second Aggregate Annual Cap of Emperor W&J under the Tenancy Agreement and the Previous EGC 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 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	917,000	7,500,000	7,500,000	6,584,000
Fifth Previous Tenancy Agreement	343,000	343,000	86,000	-
Sixth Previous Tenancy Agreement	3,480,000	3,480,000	870,000	-
Seventh Previous Tenancy Agreement	5,794,000 <i>(Note)</i>	-	-	-
Eighth Previous Tenancy Agreement	1,111,000	-	-	-
Total	<u>11,645,000</u>	<u>11,323,000</u>	<u>8,456,000</u>	<u>6,584,000</u>

Note: The amount represents the effective rental paid for the period from 1 April 2013 to 16 November 2014 (the date of early termination as agreed between both parties) under the Seventh Previous Tenancy Agreement.

REASONS AND BENEFITS FOR THE LICENCE AGREEMENT AND 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 Signage and Property are held by Planwing and Very Sound as investment properties for licence fee / rental income respectively.

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 Licence Agreement and Tenancy Agreement are arrived at after arm's length negotiation and are on normal commercial terms. The licence fee and rental of the Licence Agreement and Tenancy Agreement were determined with reference to the prevailing market licence fee and rental of similar properties in the nearby locations. The directors of both Emperor International and Emperor W&J (including their respective independent non-executive directors) considered that the transactions are 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, did abstain from voting on the relevant board resolution(s) of Emperor International in view of her deemed interest in the transactions by virtue of being the spouse of Dr. Yeung Sau Shing, Albert who is the founder of the AY Trust. Ms. Cindy Yeung, the Chairperson of Emperor W&J, did abstain from voting on the relevant board resolution(s) of Emperor W&J in view of her deemed interest in the transactions by virtue of being one of the eligible beneficiaries of the AY Trust. 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 on the relevant board resolution(s).

GENERAL

Planwing and Very Sound are indirect wholly-owned subsidiaries 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 74.83% and 52.57% respectively by the AY Trust. As such, Beauty Royal is a connected person of Emperor International whilst Planwing and Very Sound are connected persons of Emperor W&J under Chapter 14A of the Listing Rules. Accordingly, the Licence Agreement and the Tenancy Agreement constitute continuing connected transactions for both Emperor International and Emperor W&J.

As the applicable percentage ratios on an annual basis calculated with reference to the First Aggregate Annual Caps and the Second Aggregate Annual Caps of both Emperor International and Emperor W&J are more than 0.1% but less than 5%, the Licence Agreement and the Tenancy Agreement are subject to the announcement, reporting and annual review requirements, but 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

“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
“Beauty Royal”	Beauty Royal Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of Emperor W&J
“Eighth Previous Property”	Shops G01-02 Ground Floor, Emperor Group Centre, 288 Hennessy Road, Wanchai, Hong Kong with gross floor area of 948 sq. ft.
“Eighth Previous Tenancy Agreement”	a tenancy agreement dated 16 November 2012 entered into between Very Sound and Beauty Royal in relation to the tenancy of Eighth Previous Property for the period from 17 November 2012 to 16 November 2014 (both days inclusive), details of which were set out in the joint announcement of Emperor International and Emperor W&J dated 16 November 2012
“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 Aggregate Annual Cap of Emperor International”	the maximum amount of effective licence fee / rental received / receivable by Emperor International under the Licence Agreement, the Previous Licence 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 licence fee / rental received / receivable thereunder
“First Aggregate Annual Cap of Emperor W&J”	the maximum amount of effective licence fee / rental paid / payable by Emperor W&J under the Licence Agreement, the Previous Licence 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 licence fee / rental paid / payable thereunder

“Fifth Previous Property”	Unit 1505, 15/F, Emperor Group Centre, 288 Hennessy Road, Wanchai, Hong Kong with gross floor area of 941 sq. ft.
“Fifth Previous Tenancy Agreement”	a tenancy agreement dated 31 December 2013 entered into between Headwise Investment Limited and Beauty Royal in relation to the tenancy of the Fifth Previous Property for the period from 1 January 2014 to 31 March 2016 (both days inclusive), details of which were set out in the joint announcement of Emperor International and Emperor W&J dated 31 December 2013
“First Previous Property” or “Fourth Previous Property”	Shops 3 & 5, Ground Floor Emperor Watch and Jewellery Centre (formerly known as No. 8 Russell Street), No. 8 Russell Street, Causeway Bay, Hong Kong with gross floor area of 3,068 sq. ft.
“First Previous Tenancy Agreement”	a tenancy agreement dated 22 October 2014 entered into between Planwing and Beauty Royal in relation to the tenancy of the First Previous Property for the period from 30 November 2014 to 29 November 2017 (both days inclusive), details of which were set out in the announcements of Emperor International and Emperor W&J both dated 22 October 2014
“Fourth Previous Tenancy Agreement”	a tenancy agreement dated 25 May 2011 entered into between Planwing and Beauty Royal in relation to the tenancy of the Fourth Previous Property for the period from 30 November 2011 to 29 November 2014 (both days inclusive), details of which were set out in the announcement of Emperor International and Emperor W&J both dated 25 May 2011
“HK\$”	Hong Kong dollars
“Licence Agreement”	a licence agreement dated 14 November 2014 entered into between Planwing and Beauty Royal in relation to the licensing of the Signage
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Planwing”	Planwing Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of Emperor International
“PRC”	The People’s Republic of China

“Previous EGC Tenancy Agreements”	the Fifth Previous Tenancy Agreement, the Sixth Previous Tenancy Agreement, the Seventh Previous Tenancy Agreement and the Eighth Previous Tenancy Agreement
“Previous Licence Agreement”	a licence agreement dated 29 November 2011 entered into between Planwing and Beauty Royal in relation to the licensing of the Signage for the period from 30 November 2011 to 29 November 2014 (both days inclusive), details of which were set out in the joint announcement of Emperor International and Emperor W&J dated 29 November 2011
“Previous Tenancy Agreements”	the First Previous Tenancy Agreement, the Second Previous Tenancy Agreement, the Third Previous Tenancy Agreement and the Fourth Previous Tenancy Agreement
“Property”	Shop Units G01 to G05 on G/F of Emperor Group Centre, 288 Hennessy Road, Wanchai, Hong Kong with gross floor area of 5,762 sq. ft.
“Second Aggregate Annual Cap of Emperor International”	the maximum amount of effective rental received / receivable by Emperor International for the Tenancy Agreement and the Previous EGC 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
“Second 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 EGC 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
“Second Previous Property”	Shops 1 & 2, G/F, No. 8 Russell Street (now known as Emperor Watch and Jewellery Centre), No. 8 Russell Street, Causeway Bay, Hong Kong with gross floor area of 3,367 sq. ft. together with a right of use three outdoor advertising signs and signage space A on 1/F

“Second Previous Tenancy Agreement”	a tenancy agreement dated 29 November 2011 entered into between Planwing and Beauty Royal in relation to the tenancy of the Second Previous Property for the period from 1 December 2011 to 30 November 2014 (both days inclusive), details of which were set out in the joint announcement of Emperor International and Emperor W&J both dated 29 November 2011. This agreement was terminated on 11 September 2014 as agreed between both parties
“Seventh 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.
“Seventh Previous Tenancy Agreement”	a tenancy agreement dated 28 March 2013 entered into between Very Sound and Beauty Royal in relation to the tenancy of the Seventh Previous Property for a period from 1 April 2013 to 31 March 2016 (both days inclusive), details of which were set out in the joint announcement of Emperor International and Emperor W&J dated 28 March 2013
“Signage”	Signage Space B on 1/F facing Russell Street, Emperor Watch and Jewellery Centre (formerly known as No. 8 Russell Street), No. 8 Russell Street, Causeway Bay, Hong Kong
“Sixth Previous Property”	the whole of 25/F & Car Parking Space No. 27, B2/F, Emperor Group Centre, 288 Hennessy Road, Wanchai, Hong Kong with gross floor area of 9,323 sq. ft.
“Sixth Previous Tenancy Agreement”	a tenancy agreement dated 28 March 2013 entered into between Very Sound and Beauty Royal in relation to the tenancy of the Sixth Previous Property for the period from 1 April 2013 to 31 March 2016 (both days inclusive), details of which were set out in the joint announcement of Emperor International and Emperor W&J dated 28 March 2013
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Third Previous Property”	Shops 1 & 2 on Ground Floor with gross floor area of 3,367 sq. ft. together with a right to use (i) External Wall Unit 1 on 1 st Floor; (ii) External Wall Unit 2 on 6 th – 29 th Floor and Roof; (iii) a LED Display on the External Wall on 5 th Floor; (iv) 2 Signboards on External Wall on 1 st - 3 rd Floor; (v) 2 Signboards on External Wall on 5 th Floor; and (vi) Signage Space A on 1 st Floor, Emperor Watch and Jewellery Centre (formerly known as No. 8 Russell Street), No. 8 Russell Street, Causeway Bay, Hong Kong

“Third Previous Tenancy Agreement”	a tenancy agreement dated 12 September 2014 entered into between Planwing and Beauty Royal in relation to the tenancy of the Third Previous Property for the period from 12 September 2014 to 11 September 2017 (both days inclusive), details of which were set out in the joint announcement of Emperor International and Emperor W&J dated 12 September 2014
“Very Sound”	Very Sound Investments Limited, a company incorporated in Hong Kong and 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, 14 November 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