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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 board of directors of Emperor International and Emperor W&J announce that on 30 March 2017, Great Future as landlord entered into the Tenancy Agreement with Beauty Royal as tenant in relation to the renewal of tenancy of the Property.

Under Chapter 14A of the Listing Rules, Beauty Royal is a connected person of Emperor International whilst Great Future 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) 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%, 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 board of directors of Emperor International and Emperor W&J announce that on 30 March 2017, Great Future as landlord entered into the Tenancy Agreement with Beauty Royal as tenant in relation to the renewal of tenancy of the Property.

### TENANCY AGREEMENT DATED 30 MARCH 2017

|           |   |
|-----------|---|
| Landlord: | Great Future  |
| Tenant:   | Beauty Royal  |
| Property: | Shops A, D2 & E2 on Ground Floor and the projected signage on external wall, Harilela Mansion, 81 Nathan Road, Hong Kong with gross floor area of 3,061 sq. ft. |
| Usage:    | for retail shop   |

\* for identification purpose only

|                 |  |
|-----------------|--|
| Term:           | 3 years from 1 April 2017 to 31 March 2020 (both days inclusive)   |
| Rent:           | HK\$955,000.00 per month, exclusive of rates, management fees and all other outgoings, payable monthly in advance                  |
| Rent Free:      | 3 months (1 April 2017 to 30 April 2017, 1 April 2018 to 30 April 2018 and 1 April 2019 to 30 April 2019, all both days inclusive) |
| Effective Rent: | HK\$875,416.67   |
| Deposit:        | HK\$3,107,850.00 which is equivalent to three months' rent and rates   |

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

#### ***Aggregate Annual Cap of Emperor International***

The Aggregate Annual Cap of Emperor International under the Tenancy Agreement based on the total annual effective rental receivable thereunder by Emperor International for each of the years ending 31 March 2018, 2019 and 2020 will be as follows:

|                   | <b>2018</b><br><i>HK\$</i> | <b>2019</b><br><i>HK\$</i> | <b>2020</b><br><i>HK\$</i> |
|-------------------|----------------------------|----------------------------|----------------------------|
| Tenancy Agreement | <u>10,505,000</u>          | <u>10,505,000</u>          | <u>10,505,000</u>          |

#### ***Aggregate Annual Cap of Emperor W&J***

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

|                            | <b>2017</b><br><i>HK\$</i> | <b>2018</b><br><i>HK\$</i> | <b>2019</b><br><i>HK\$</i> | <b>2020</b><br><i>HK\$</i> |
|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| Tenancy Agreement          | 7,879,000                  | 10,505,000                 | 10,505,000                 | 2,627,000                  |
| Previous Tenancy Agreement | 3,000,000                  | -                          | -                          | -                          |
| Total                      | <u>10,879,000</u>          | <u>10,505,000</u>          | <u>10,505,000</u>          | <u>2,627,000</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. Great Future is principally engaged in property investment. The Property is owned by Great Future 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**

Great Future 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 Great Future 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(s) 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(s) 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) 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%, 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 receivable by Emperor International under the Tenancy Agreement for each of the years ending 31 March 2018, 2019 and 2020 based on the total annual effective rental 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 Agreement 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  |
| “Great Future”                                  | Great Future Hong Kong Limited, a company incorporated in Hong Kong with limited liability and an 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 Agreement”                    | a tenancy agreement dated 28 February 2014 entered into between Great Future and Beauty Royal in relation to the tenancy of the Property for the period from 1 April 2014 to 31 March 2017 (both days inclusive), details were set out in the joint announcement of Emperor International and Emperor W&J dated 28 February 2014 |

|                     |  |
|---------------------|--|
| “Property”          | Shops A, D2 & E2 on Ground Floor and the projected signage on external wall, Harilela Mansion, 81 Nathan Road, Hong Kong with gross floor area of 3,061 sq. ft.          |
| “Stock Exchange”    | The Stock Exchange of Hong Kong Limited  |
| “Tenancy Agreement” | the tenancy agreement dated 30 March 2017 entered into between Great Future as landlord and Beauty Royal as tenant in relation to the renewal of tenancy of the Property |
| “%”                 | 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, 30 March 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. Yip Kam Man  
Ms. Lai Ka Fung, May  
Ms. Chan Sim Ling, Irene