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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 TERMINATION OF SUB-LICENCE AGREEMENT AND SURRENDER AGREEMENT

The board of directors of Emperor International and Emperor W&J announce that (i) Gold Pleasure as licensor has served a Termination Notice on Beauty Royal as licensee in relation to the termination of sub-licensing of the Signage; and (ii) the Landlords entered into the Surrender Agreement with Beauty Royal as tenant in relation to the termination of the tenancy of the Property under Tenancy Agreement.

References are made to the announcements jointly published by Emperor International and Emperor W&J on 27 May 2016 and 28 December 2016 in relation to, among others, the tenancy of the Property and the sub-licensing of the Signage respectively.

The boards of directors of Emperor International and Emperor W&J announce that (i) pursuant the Termination Notice served by Gold Pleasure, the Sub-licence Agreement in respect of the licensing of the Signage was terminated; and (ii) the Landlords entered into the Surrender Agreement with Beauty Royal as tenant in relation to the termination of the tenancy of the Property under Tenancy Agreement.

TERMINATION OF SUB-LICENSING OF THE SIGNAGE

Pursuant to the Sub-Licence Agreement, Gold Pleasure had agreed to license to Beauty Royal the Signage for outdoor advertising purpose for the months of January, February and May 2017. Under the Termination Notice served by Gold Pleasure on Beauty Royal, the Sub-Licence Agreement was terminated such that no licensing of the Signage for the month May 2017 will be made and accordingly, the Sub-Licence Agreement was determined and both parties were released each other from all liabilities and obligations thereunder.

* for identification purpose only

SURRENDER AGREEMENT DATED 4 MAY 2017

Pursuant to the Surrender Agreement, Beauty Royal shall surrender the Property under the Tenancy Agreement (as supplemented by the Previous Supplemental Tenancy Agreement and the Supplemental Tenancy Agreement) to the Landlords on 15 May 2017 by then the Tenancy Agreement shall absolutely cease and determine and both parties shall release each other from all liabilities and obligations thereunder.

REVISED AGGREGATE ANNUAL CAPS OF THE SUB-LICENCE AGREEMENT AND THE SUPPLEMENTAL TENANCY AGREEMENT

Aggregate Annual Cap of Emperor International

In view of the Termination Notice and the Surrender Agreement, the Aggregate Annual Cap of Emperor International under the Sub-Licence Agreement and the Supplemental Tenancy Agreement (which are aggregated under Rule 14A.81 of the Listing Rules) based on the total annual effective license fee / rental received / receivable thereunder by Emperor International for the year ending 31 March 2018 will be revised as follows:

	2018 <i>HK\$</i>
Sub-Licence Agreement	-
Supplemental Tenancy Agreement	8,100,000
Total	<u>8,100,000</u>

Aggregate Annual Cap of Emperor W&J

In view of the Termination Notice and the Surrender Agreement, the Aggregate Annual Cap of Emperor W&J under the Sub-Licence Agreement and the Supplemental Tenancy Agreement (which are aggregated under Rule 14A.81 of the Listing Rules) based on the total annual effective rental payable thereunder by Emperor W&J for the year ending 31 December 2017 will be revised as follows:

	2017 <i>HK\$</i>
Sub-Licence Agreement	620,000
Supplemental Tenancy Agreement	17,600,000
Total	<u>18,220,000</u>

REASONS AND BENEFITS FOR THE TERMINATION NOTICE AND THE SURRENDER AGREEMENT

The service of the Termination Notice and the execution of the Surrender Agreement were made in order to carry out the alterations and additions works by the Landlords from May 2017 for compliance with the building order affecting the Signage and the Property. After completion of the said works, the Property may be leased again to Beauty Royal, details of which will then be jointly published by Emperor International and Emperor W&J, if necessary. The aforesaid terminations will not have material adverse impact on business and operation of Emperor International and Emperor W&J.

The directors of Emperor International and Emperor W&J (including their respective independent non-executive directors) considered that the Termination Notice and the terms of the Surrender Agreement are fair and reasonable, on normal commercial terms, in the ordinary and usual course of business of Emperor International and Emperor W&J and in the interest of Emperor International and Emperor W&J and their respective shareholders as a whole.

GENERAL

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 transactions by virtue of being one of the eligible beneficiaries of the AY Trust.

The above terminations are subject to the announcement requirement under Rule 14A.35 of the Listing Rules for both Emperor International and Emperor W&J.

TERMS USED IN THIS ANNOUNCEMENT

“Aggregate Annual Cap of Emperor International”	the maximum amount of effective licence fee / rental received and receivable by Emperor International under the Sub-Licence Agreement and the Supplemental Tenancy Agreement for the year ending 31 March 2018 based on the total annual effective licence fee / rental received / receivable thereunder
“Aggregate Annual Cap of Emperor E&J”	the maximum amount of effective licence fee / rental paid / payable by Emperor W&J under the Sub-Licence Agreement and the Supplemental Tenancy Agreement for the year ending 31 December 2017 based on the total annual effective licence fee / rental payable thereunder
“AY Trust”	The Albert Yeung Discretionary Trust, a discretionary trust set up by Dr. Yeung Sau Shing, Albert, which has indirect controlling interest in Emperor International and 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
“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
“Gold Cheer”	Gold Cheer Corporation Limited, a company incorporated in Hong Kong with Limited liability and an indirect wholly-owned subsidiary of Emperor International
“Gold Pleasure”	Gold Pleasure Investment Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of Emperor International
“Happy Rain”	Happy Rain Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of Emperor International
“HK\$”	Hong Kong dollars
“Landlords”	Gold Pleasure, Total Treasure, Gold Cheer and Happy Rain
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Previous Supplemental Tenancy Agreement”	the supplemental agreement dated 31 August 2015 entered into between the Landlords and Beauty Royal as tenant by which the rental of the Property under the Tenancy Agreement for the period from 1 October 2015 to 3 January 2018 (both days inclusive) had been revised, details of which were set out in the joint announcement of Emperor International and Emperor W&J dated 31 August 2015
“Property”	All of that Ground Floor and 1 st Floor, Units A & B on 3/F, Portion A of Unit A on 4/F and roof together with a right to use the four outdoor advertising signs on the external walls to the building of Nos. 4-8 Canton Road, Kowloon, Hong Kong with a total gross floor area of 6,261 sq. ft.
“Signage”	projected signage of 4-8 Canton Road, Kowloon, Hong Kong with approximate area of 76.4 sq. m.

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Sub-Licence Agreement”	the sub-licence agreement dated 28 December 2016 entered into between Gold Pleasure as licensor and Beauty Royal as licensee in relation to the sub-licensing of the Signage, details of which were set out in the announcement jointly published by Emperor International and Emperor W&J on 28 December 2016
“Supplemental Tenancy Agreement”	the supplemental agreement dated 27 May 2016 entered into between the Landlords and Beauty Royal as tenant by which the rental of the Property under the Tenancy Agreement and the Previous Supplemental Tenancy Agreement for the period from 1 June 2016 to 3 January 2018 has been further revised, details of which were set out in the joint announcement of Emperor International and Emperor W&J dated 27 May 2016
“Surrender Agreement”	the agreement dated 4 May 2017 entered into between the Landlords and Beauty Royal as tenant in relation to the termination of the tenancy of the Property under the Tenancy Agreement
“Tenancy Agreement”	the tenancy agreement dated 23 December 2014 (as supplemented by the Previous Supplemental Tenancy Agreement and the Supplemental Tenancy Agreement) entered into between the Landlords and Beauty Royal as tenant in relation to the tenancy of the Property for the period from 4 January 2015 to 3 January 2018, details of which were set out in the announcement jointly published by Emperor International and Emperor W&J on 23 December 2014
“Termination Notice”	the termination notice dated 21 April 2017 served by Gold Pleasure as licensor on Beauty Royal as licensee in relation to the termination of the Sub-Licence Agreement
“Total Treasure”	Total Treasure Investment Limited, a company incorporated in Hong Kong with Limited liability and an indirect wholly-owned subsidiary of Emperor International

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, 4 May 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