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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 boards of directors of Emperor International and Emperor W&J announce that on 31 December 2013, Headwise as landlord entered into the Tenancy Agreement with Beauty Royal as tenant in relation to the tenancy of the Property.

Headwise 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 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 Headwise is a connected person of Emperor W&J under Chapter 14A of the Listing Rules. Accordingly, the Tenancy Agreement constitutes continuing connected transaction for both of Emperor International and Emperor W&J.

As the applicable percentage ratios 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% under Rule 14A.34 of the Listing Rules, the Tenancy Agreement is subject to the reporting and announcement requirements set out in Rules 14A.45 to 14A.47 of the Listing Rules, the annual review requirements set out in Rules 14A.37 to 14A.40 and the requirements set out in Rules 14A.35(1) and 14A.35(2) but are exempted from the approval of the respective independent shareholders of both Emperor International and Emperor W&J.

The boards of directors of Emperor International and Emperor W&J announce that on 31 December 2013, Headwise as landlord entered into the Tenancy Agreement with Beauty Royal as tenant in relation to the tenancy of the Property.

### **TENANCY AGREEMENT DATED 31 DECEMBER 2013**

Landlord: Headwise

Tenant: Beauty Royal

Property: Unit 1505, 15/F, Emperor Group Centre, 288 Hennessy Road, Wanchai, Hong Kong with gross floor area of 941 sq. ft.

Usage: for office

|                 |  |
|-----------------|--|
| Term:           | 2 years and 3 months from 1 January 2014 to 31 March 2016 (both days inclusive)                                  |
| Rent:           | HK\$28,900.00 per month, exclusive of rates, management fees and all other outgoings, payable monthly in advance |
| Rent free:      | 10 days from 1 January 2014 to 10 January 2014   |
| Effective rent: | HK\$28,554.72 per month  |
| Deposit:        | HK\$106,353.60 which is equivalent to three months' rent, management fee and rates                               |

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

The Aggregate Annual Cap of Emperor International 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 2014, 2015 and 2016 will be as follows:

|   | <b>2014</b><br><i>HK\$</i> | <b>2015</b><br><i>HK\$</i> | <b>2016</b><br><i>HK\$</i> |
|---|----------------------------|----------------------------|----------------------------|
| Tenancy Agreement                                 | 86,000                     | 343,000                    | 343,000                    |
| First Previous Tenancy Agreement                  | 3,480,000                  | 3,480,000                  | 3,480,000                  |
| Second Previous Tenancy Agreement                 | 6,600,000                  | 6,600,000                  | 6,600,000                  |
| Third Previous Tenancy Agreement                  | 1,266,000                  | 795,000                    | -                          |
| Fourth Previous Tenancy Agreement ( <i>Note</i> ) | 225,000                    | -                          | -                          |
| <b>Total</b>                                      | <b>11,657,000</b>          | <b>11,218,000</b>          | <b>10,423,000</b>          |

*Note:*

The Fourth Previous Tenancy Agreement relates to the Property which expires on 31 December 2013 and the tenancy is renewed under the Tenancy Agreement.

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 payable thereunder for each of the years ending 31 December 2014, 2015 and 2016 will be as follows:

|                                   | <b>2014</b><br><i>HK\$</i> | <b>2015</b><br><i>HK\$</i> | <b>2016</b><br><i>HK\$</i> |
|-----------------------------------|----------------------------|----------------------------|----------------------------|
| Tenancy Agreement                 | 343,000                    | 343,000                    | 86,000                     |
| First Previous Tenancy Agreement  | 3,480,000                  | 3,480,000                  | 870,000                    |
| Second Previous Tenancy Agreement | 6,600,000                  | 6,600,000                  | 1,650,000                  |
| Third Previous Tenancy Agreement  | 1,111,000                  | -                          | -                          |
| <b>Total</b>                      | <b>11,534,000</b>          | <b>10,423,000</b>          | <b>2,606,000</b>           |

## **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 Hong Kong, Macau and the PRC. The Property is held by Headwise 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 International and Emperor W&J (including the respective independent non-executive directors) considered that the Tenancy Agreement is 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, and Ms. Cindy Yeung, the Chairperson of Emperor W&J, did abstain from voting on the relevant board resolution(s) of Emperor International and Emperor W&J in view of their deemed interests in the transaction by virtue of being the spouse of Dr. Albert Yeung 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 International and Emperor W&J, also abstained from voting on the same board resolution(s).

## **GENERAL**

Headwise is an indirect wholly-owned subsidiary 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 Headwise is a connected person of Emperor W&J under Chapter 14A of the Listing Rules. Accordingly, the Tenancy Agreement constitutes continuing connected transaction for both of Emperor International and Emperor W&J.

As the applicable percentage ratios 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% under Rule 14A.34 of the Listing Rules, the Tenancy Agreement is subject to the reporting and announcement requirements set out in Rules 14A.45 to 14A.47 of the Listing Rules, the annual review requirements set out in Rules 14A.37 to 14A.40 and the requirements set out in Rules 14A.35(1) and 14A.35(2) but are exempted from the approval of the respective independent shareholders of Emperor International and Emperor W&J.

## TERMS USED IN THIS ANNOUNCEMENT

|   |  |
|---|--|
| “Aggregate Annual Cap of Emperor International” | the maximum amount of effective rental received/receivable by Emperor International under the Tenancy Agreement and the Previous Tenancy Agreements for each of the years ending 31 March 2014, 2015 and 2016, based on the total annual effective rental received/receivable thereunder   |
| “Aggregate Annual Cap of Emperor W&J”           | the maximum amount of effective rental payable by Emperor W&J under the Tenancy Agreement and the Previous Tenancy Agreements for each of the years ending 31 December 2014, 2015 and 2016, based on the total annual effective rental payable thereunder  |
| “AY Trust”                                      | The Albert Yeung Discretionary Trust, a discretionary trust set up by Dr. Albert Yeung, a deemed substantial shareholder of 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  |
| “Dr. Albert Yeung”                              | Dr. Yeung Sau Shing, Albert  |
| “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 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.  |
| “First 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 First Previous Property for the term 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 |
| “Fourth Previous Tenancy Agreement”             | a tenancy agreement dated 16 December 2011 entered into between Headwise and Beauty Royal in relation to the tenancy of the Property for the term from 1 January 2012 to 31 December 2013 (both days inclusive), details of which were set out in the joint announcement of Emperor International and Emperor W&J dated 16 December 2011       |

|                                     |   |
|-------------------------------------|---|
| “Headwise”                          | Headwise Investment Limited, a company incorporated in Hong Kong with limited liability and indirect wholly-owned by 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 Agreements”       | the First Previous Tenancy Agreement, the Second Previous Tenancy Agreement, the Third Previous Tenancy Agreement and the Fourth Previous Tenancy Agreement   |
| “Property”                          | Unit 1505, 15/F, Emperor Group Centre, 288 Hennessy Road, Wanchai, Hong Kong with gross floor area of 941 sq. ft.   |
| “Second 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.  |
| “Second 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 Second Previous Property for the term 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             |
| “sq. ft.”                           | square feet   |
| “Stock Exchange”                    | The Stock Exchange of Hong Kong Limited   |
| “Tenancy Agreement”                 | a tenancy agreement dated 31 December 2013 entered into between Headwise and Beauty Royal in relation to the tenancy of the Property  |
| “Third Previous Property”           | Shops G01-02, Ground Floor, Emperor Group Centre, 288 Hennessy Road, Wanchai, Hong Kong with gross floor area of 948 sq. ft.  |
| “Third Previous Tenancy Agreement”  | a tenancy agreement dated 16 November 2012 entered into between Very Sound and Beauty Royal in relation to the tenancy of the Third Previous Property for the term 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 |

“Very Sound” Very Sound Investments Limited, a company incorporated in Hong Kong with limited liability and indirect wholly-owned by Emperor International

“%” 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, 31 December 2013

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