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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 23 December 2014, Gold Pleasure, Total Treasure, Gold Cheer and Happy Rain as landlords entered into the Tenancy Agreement with Beauty Royal as tenant in relation to the tenancies of the Properties.

Gold Pleasure, Total Treasure, Gold Cheer and Happy Rain 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 Gold Pleasure, Total Treasure, Gold Cheer and Happy Rain are connected persons of Emperor W&J under Chapter 14A of the Listing Rules. 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 boards of directors of Emperor International and Emperor W&J announce that on 23 December 2014, Gold Pleasure, Total Treasure, Gold Cheer and Happy Rain as landlords entered into the Tenancy Agreement with Beauty Royal as tenant in relation to the tenancies of the Properties.

### **TENANCY AGREEMENT DATED 23 DECEMBER 2014**

<b>Landlords &amp; Properties located at No. 4-8 Canton Road, Kowloon, Hong Kong</b>	(1) Gold Pleasure	- G/F and 1/F
	(2) Gold Pleasure (as licencor)	- Four outdoor advertising signs on the external walls
	(3) Total Treasure	- Unit 3A
	(4) Gold Cheer	- Unit 3B
	(5) Happy Rain	- Portion A of Unit A on 4th Floor and Roof

**Tenant/Licensee:** Beauty Royal

\* for identification purposes only

<b>Usage:</b>	(1) For retail shops (2) For outdoor advertising (3) – (5) For storage
<b>Term:</b>	3 years from 4 January 2015 to 3 January 2018 (both days inclusive)
<b>Rent:</b>	HK\$6,180,000.00 per month, exclusive of rates, management fee, air-conditioning charges and all other outgoings
<b>Rent Free:</b>	6 months (1 <sup>st</sup> , 2 <sup>nd</sup> , 3 <sup>rd</sup> , 34 <sup>th</sup> , 35 <sup>th</sup> & 36 <sup>th</sup> month of the term)
<b>Effective Rent:</b>	HK\$5,150,000.00 per month
<b>Deposit:</b>	HK\$19,276,530.00 which is equivalent to three months' rent and rates
<b>Special condition:</b>	The commencement of the Tenancy Agreement will be subject to the successful renewal of licence agreement by Gold Pleasure with the incorporated owners for the exclusive right to use the external walls of the building located at Nos. 4-8 Canton Road, Kowloon, Hong Kong for the purpose of installation and using, including sub-letting, of advertising sign space

#### **AGGREGATE ANNUAL CAPS OF THE TENANCY AGREEMENT, THE PREVIOUS SUB-LICENCE AGREEMENTS AND THE PREVIOUS TENANCY AGREEMENT**

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

The Aggregate Annual Cap of Emperor International for the Tenancy Agreement, the Previous Sub-Licence Agreements and the Previous Tenancy Agreement (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:

	<b>2015</b> <i>HK\$</i>	<b>2016</b> <i>HK\$</i>	<b>2017</b> <i>HK\$</i>	<b>2018</b> <i>HK\$</i>
Tenancy Agreement	14,952,000	61,800,000	61,800,000	46,849,000
Previous Sub-Licence Agreements	1,858,000	-	-	-
Previous Tenancy Agreement <sup>(Note)</sup>	48,096,000	-	-	-
<b>Total</b>	<b>64,906,000</b>	<b>61,800,000</b>	<b>61,800,000</b>	<b>46,849,000</b>

*Note: This agreement will expire on 3 January 2015 and the tenancy will be renewed by the 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 Agreement (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 2015, 2016, 2017 and 2018 will be as follows:

	<b>2015</b> <i>HK\$</i>	<b>2016</b> <i>HK\$</i>	<b>2017</b> <i>HK\$</i>	<b>2018</b> <i>HK\$</i>
Tenancy Agreement	61,302,000	61,800,000	61,800,000	499,000
Previous Tenancy Agreement <sup>(Note)</sup>	512,000	-	-	-
<b>Total</b>	<b>61,814,000</b>	<b>61,800,000</b>	<b>61,800,000</b>	<b>499,000</b>

*Note: This agreement will expire on 3 January 2015 and the tenancy will be renewed by the Tenancy Agreement.*

### **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. The Properties are held by Gold Pleasure, Total Treasure, Gold Cheer and Happy Rain as investment properties for rental / licence fee 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. 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 are on normal commercial terms. The rental and licence fee of the Tenancy Agreement were determined with reference to the prevailing market rental and licence fee 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 transaction 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, 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 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

Gold Pleasure, Total Treasure, Gold Cheer and Happy Rain are indirect wholly-owned subsidiaries 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 Gold Pleasure, Total Treasure, Gold Cheer and Happy Rain are connected persons of Emperor W&J under Chapter 14A of the Listing Rules. 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 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 licence fee / rental received / receivable by Emperor International under the Tenancy Agreement, the Previous Sub-Licence Agreements and the Previous Tenancy Agreement 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
“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 2015, 2016, 2017 and 2018 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 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
“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
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	The People’s Republic of China
“Properties”	All of that Ground Floor and 1st Floor, Units A and B on 3 <sup>rd</sup> Floor, Portion A of Unit A on 4 <sup>th</sup> Floor and Roof together with a right of use four outdoor advertising signs on the external walls of Nos. 4-8 Canton Road, Kowloon, Hong Kong with a total gross floor area of 6,261 sq. ft.
“Previous Sub-Licence Agreements”	sub-licence agreements dated 29 January 2014 and 28 February 2014 entered into between Gold Pleasure and Beauty Royal in relation to the licencing of the projected signage of 4-8 Canton Road, Kowloon, Hong Kong for February, March, April, June, August, October and December 2014, details of which were set out in the joint announcements of Emperor International and Emperor W&J dated 29 January 2014 and 28 February 2014
“Previous Tenancy Agreement”	a tenancy agreement dated 15 December 2011 entered into between Gold Pleasure, Total Treasure, Gold Cheer, Happy Rain and Beauty Royal in relation to the tenancies of the Properties for the period from 4 January 2012 to 3 January 2015 (both days inclusive), details of which were set out in the joint announcement of Emperor International and Emperor W&J dated 15 December 2011
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tenancy Agreement”	a tenancy agreement dated 23 December 2014 entered into between Gold Pleasure, Total Treasure, Gold Cheer, Happy Rain and Beauty Royal in relation to the tenancies of the Properties

“Total Treasure”	Total Treasure Investment Limited, a company incorporated in Hong Kong with limited liability and an 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, 23 December 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