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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 announces that on 30 June 2017, Lord Link as landlord entered into the Tenancy Agreement with Beauty Royal as tenant in relation to the tenancy of the Property.

Under Chapter 14A of the Listing Rules, Lord Link is a connected person of the Company and accordingly, the Tenancy Agreement constitutes a continuing connected transaction for the Company.

As the applicable percentage ratios (as defined in the Listing Rules) on an annual basis calculated with reference to the Annual Cap is 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 shareholders' approval of the Company under Chapter 14A of the Listing Rules.

The Board announces that on 30 June 2017, Lord Link as landlord entered into the Tenancy Agreement with Beauty Royal as tenant in relation to the tenancy of the Property.

TENANCY AGREEMENT DATED 30 JUNE 2017

Landlord:	Lord Link
Tenant:	Beauty Royal
Property:	The Whole Block of No.155 Castle Peak Road, Yuen Long, New Territories, Hong Kong with gross floor area of 2,566 sq. ft.
Usage:	for retail shop
Term:	3 years from 1 August 2017 to 31 July 2020 (both days inclusive)

Rent: 1st year - HK\$250,000.00 per month
2nd year - HK\$265,000.00 per month
3rd year - HK\$288,000.00 per month

All inclusive of Government rent but exclusive of rates and all other outgoings, payable monthly in advance

Rent Free: 2 months
1 August 2017 to 31 August 2017 and
1 February 2019 to 28 February 2019

Effective Rent: HK\$253,361.11 per month

Deposit: HK\$897,900.00 which is equivalent to three months' highest rent and rates

ANNUAL CAP OF THE TENANCY AGREEMENT

The Annual Cap under the Tenancy Agreement based on the total annual effective rental paid/payable thereunder by the Company for each of the years ending 31 December 2017, 2018, 2019 and 2020 will be as follows:

	2017 <i>HK\$</i>	2018 <i>HK\$</i>	2019 <i>HK\$</i>	2020 <i>HK\$</i>
Tenancy Agreement	1,267,000	3,041,000	3,041,000	1,774,000
Total	<u>1,267,000</u>	<u>3,041,000</u>	<u>3,041,000</u>	<u>1,774,000</u>

REASONS AND BENEFITS FOR THE TENANCY AGREEMENT

The Company 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 the Company 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 (including the 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 the Company and its shareholders as a whole.

GENERAL

Lord Link is an indirect wholly-owned subsidiary of Emperor International. Beauty Royal is an indirect wholly-owned subsidiary of the Company. Emperor International and the Company are both indirectly controlled by the AY Trust. As such, Lord Link is a connected person of the Company under Chapter 14A of the Listing Rules and accordingly, the Tenancy Agreement constitutes a continuing connected transaction for the Company.

Ms. Cindy Yeung, the Chairperson of the Company, did abstain from voting on the relevant Board resolution(s) of the Company 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 Annual Cap is 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 shareholders' approval of the Company under Chapter 14A of the Listing Rules.

TERMS USED IN THIS ANNOUNCEMENT

“Annual Cap”	the maximum amount of effective rental paid / payable by the Company under the 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
“Board” or “Director(s)”	Board of directors of the Company
“Beauty Royal”	Beauty Royal Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“Company”	Emperor Watch & Jewellery Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Stock Exchange
“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
“Lord Link”	Lord Link 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
“Property”	The Whole Block of No.155 Castle Peak Road, Yuen Long, New Territories, Hong Kong with gross floor area of 2,566 sq. ft.
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tenancy Agreement”	the tenancy agreement dated 30 June 2017 entered into between Lord Link as landlord and Beauty Royal as tenant in relation to the tenancy of the Property
“sq. ft.”	square feet
“%”	per cent

By order of the Board
Emperor Watch & Jewellery Limited
Cindy Yeung
Chairperson

Hong Kong, 30 June 2017

As at the date hereof, the Board comprises:

Executive Directors:

Ms. Cindy Yeung
Mr. Chan Hung Ming
Mr. Wong Chi Fai
Ms. Fan Man Seung, Vanessa

Independent Non-Executive Directors:

Ms. Chan Sim Ling, Irene
Mr. Liu Hing Hung
Ms. Chan Wiling, Yvonne