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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 29 January 2014, Gold Pleasure as licensor entered into the Sub-License Agreement with Beauty Royal as licensee in relation to the licensing of the Signage.

Gold Pleasure is an indirect wholly-owned subsidiary of Emperor International. Beauty Royal is an indirect wholly-owned subsidiary of Emperor W&J. Both 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 is a connected person of Emperor W&J under Chapter 14A of the Listing Rules. Accordingly, the Sub-License Agreement constitutes a continuing connected transaction for both Emperor International and Emperor W&J.

As the applicable percentage ratios on an annual basis calculated with reference to 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 Sub-License Agreement is subject to the announcement and reporting 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 is 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 29 January 2014, Gold Pleasure as licensor entered into the Sub-License Agreement with Beauty Royal as licensee in relation to the licensing of the Signage.

SUB-LICENSE AGREEMENT DATED 29 JANUARY 2014

Licensor:	Gold Pleasure
Licensee:	Beauty Royal
Signage:	Projected signage of 4-8 Canton Road, Kowloon, Hong Kong
Usage:	for outdoor advertising

** for identification purposes only*

Term:	4 months (February, August, October, and December of 2014)	
License Fee:	February	– HK\$522,000.00
	August	– HK\$580,000.00
	October and December	– HK\$639,000.00 per month
	Inclusive of rates, management fees but exclusive of electricity charges and other outgoing charges	
Deposit:	HK\$1,917,000.00 which is equivalent to three months' highest license fee	

AGGREGATE ANNUAL CAPS OF THE SUB-LICENSE AGREEMENT, THE PREVIOUS SUB-LICENSE AGREEMENT AND THE PREVIOUS TENANCY AGREEMENT

The Aggregate Annual Cap of Emperor International for the Sub-License Agreement, the Previous Sub-License Agreement and the Previous Tenancy Agreement (which are aggregated under Rule 14A.25 of the Listing Rules) based on the total annual effective license fee/rental received/receivable thereunder for each of the years ending 31 March 2014 and 2015 will be as follows:

	2014 <i>HK\$</i>	2015 <i>HK\$</i>
Sub-License Agreement	522,000	1,858,000
Previous Sub-License Agreement	1,680,000	-
Previous Tenancy Agreement	63,446,000	48,096,000
Total	<u>65,648,000</u>	<u>49,954,000</u>

The Aggregate Annual Cap of Emperor W&J for the Sub-License Agreement and the Previous Tenancy Agreement (which are aggregated under Rule 14A.25 of the Listing Rules) based on the total annual effective license fee/rental paid/payable thereunder for each of the years ending 31 December 2014 and 2015 will be as follows:

	2014 <i>HK\$</i>	2015 <i>HK\$</i>
Sub-License Agreement	2,380,000	-
Previous Tenancy Agreement	63,446,000	512,000
Total	<u>65,826,000</u>	<u>512,000</u>

REASONS AND BENEFITS FOR THE SUB-LICENSE AGREEMENT

Emperor International is an investment holding company and its subsidiaries are principally engaged in property investment, property development and hospitality in Hong Kong, Macau and the PRC. The Signage is owned by Gold Pleasure for license fee income. Gold Pleasure is also the owner of the Previous Properties of which the Signage is adhered therewith.

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 Signage which is located above the Previous Properties as retail shops for Emperor W&J will be used for advertising purpose.

The terms of the Sub-License Agreement are arrived at after arm's length negotiation and are on normal commercial terms. The license fee of the Sub-License Agreement was determined with reference to the prevailing market license fee of similar property in the nearby locations. The directors of both Emperor International and Emperor W&J (including the 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, 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 relevant board resolution(s).

GENERAL

Gold Pleasure 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 Gold Pleasure is a connected person of Emperor W&J under Chapter 14A of the Listing Rules. Accordingly, the Sub-License Agreement constitutes a continuing connected transaction for both Emperor International and Emperor W&J.

As the applicable percentage ratios on an annual basis calculated with reference to 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 Sub-License Agreement is subject to the announcement and reporting 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 is exempted from the approval of the respective independent shareholders of both Emperor International and Emperor W&J.

TERMS USED IN THIS ANNOUNCEMENT

“Aggregate Annual Cap of Emperor International”

the maximum amount of effective license fee/rental received/receivable by Emperor International under the Sub-License Agreement, the Previous Sub-License Agreement and the Previous Tenancy Agreement for each of the years ending 31 March 2014 and 2015, based on the total annual effective license fee/rental received/receivable thereunder

“Aggregate Annual Cap of Emperor W&J”	the maximum amount of effective license fee/rental paid/payable by Emperor W&J under the Sub-License Agreement and the Previous Tenancy Agreement for each of the years ending 31 December 2014 and 2015, based on the total annual effective license fee/rental paid/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 & 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
“Gold Pleasure”	Gold Pleasure Investment 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 Properties”	i) G/F & 1/F, ii) Tenements A and B on 3/F, iii) Portion A of Tenement A on 4/F and roof, and iv) Four outdoor advertising signs on the external walls, all of which are located at Nos. 4-8 Canton Road, Kowloon, Hong Kong
“Previous Sub-License Agreement”	A sub-license agreement dated 30 January 2013 entered into between Gold Pleasure and Beauty Royal in relation to the licensing of the Signage for February, August, October and December 2013, details were set out in the joint announcement of Emperor International and Emperor W&J dated 30 January 2013

“Previous Tenancy Agreement”	A tenancy agreement dated 15 December 2011 entered into between Gold Pleasure, Total Treasure Investment Limited, Gold Cheer Corporation Limited, Happy Rain Limited (all being indirect wholly-owned subsidiaries of Emperor International) and Beauty Royal in relation to the tenancies of the Previous Properties for the period from 4 January 2012 to 3 January 2015 (both days inclusive), details were set out in the joint announcement of Emperor International and Emperor W&J dated 15 December 2011
“Signage”	Projected signage of 4-8 Canton Road, Kowloon, Hong Kong with approximate area of 76.4 square meter
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Sub-License Agreement”	The sub-license agreement dated 29 January 2014 entered into between Gold Pleasure and Beauty Royal in relation to the licensing of the Signage
“%”	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, 29 January 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