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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 TRANSACTIONS

The board of directors of Emperor International and Emperor W&J announce that on 30 June 2017, Richorse and Planwing as landlords entered into the Tenancy Agreements with Beauty Royal as tenant in relation to the renewal of tenancies of the Properties.

Under Chapter 14A of the Listing Rules, Richorse and Planwing are connected persons of Emperor W&J whilst Beauty Royal is a connected person of Emperor International and accordingly, the Tenancy Agreements constitute continuing connected transactions 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 Agreements are 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 board of directors of Emperor International and Emperor W&J announce that on 30 June 2017, Richorse and Planwing as landlords entered into the Tenancy Agreements with Beauty Royal as tenant in relation to the renewal of tenancies of the Properties.

THE FIRST TENANCY AGREEMENT

Landlord: Richorse

Tenant: Beauty Royal

First Property: Ground Floor (Shop B including the yard), Office B and the Balcony adjacent thereto on First Floor and Office B and the Balcony adjacent thereto on Second Floor, Tak Fat Building, 50-52 Russell Street, Causeway Bay, Hong Kong, with gross floor area of 3,421 sq. ft.

Usage: for retail shop

Term: 3 years from 23 October 2017 to 22 October 2020 (both days inclusive)

Rent: HK\$1,100,000.00 per month, exclusive of rates, management fees and all other outgoings charges

Deposit: HK\$3,622,929.00

THE SECOND TENANCY AGREEMENT

Landlord: Richorse

Tenant: Beauty Royal

Second Property: Shop A on Ground Floor including the Yard and Office A on First Floor, Tak Fat Building, 50 - 52 Russell Street, Causeway Bay, Hong Kong, with gross floor area of 3,315 sq. ft.

Usage: for retail shop

Term: 3 years from 1 July 2017 to 30 June 2020 (both days inclusive)

Rent: HK\$1,100,000.00 per month, exclusive of rates, management fees and all other outgoings charges

Deposit: HK\$3,538,740.00

THE THIRD TENANCY AGREEMENT

Landlord: Richorse

Tenant: Beauty Royal

Third Property: The whole of 54 - 56 Russell Street (with gross floor area of 4,224 sq. ft.) together with the right to use a LED Display on external wall on 1st - 5th Floor and 9 advertising signboards, 54 - 56 Russell Street, Causeway Bay, Hong Kong

Usage: for retail shop

Term: 3 years from 23 October 2017 to 22 October 2020 (both days inclusive)

Rent: HK\$2,900,000.00 per month, exclusive of rates, management fees and all other outgoings charges

Deposit: HK\$9,456,570.00

THE FOURTH TENANCY AGREEMENT

Landlord: Planwing

Tenant: Beauty Royal

Fourth Property: Shops 1 & 2 on Ground Floor (with gross floor area of 3,367 sq. ft.) together with a right to use (i) External Wall Unit 1 on 1st Floor; (ii) External Wall Unit 2 on 6th-29th Floor and Roof; (iii) a LED Display on the External Wall on 5th Floor; (iv) 2 Signboards on External Wall on 1st-3rd Floor; (v) 2 Signboards on External Wall on 5th Floor; and (vi) Signage Space A on 1st Floor, Emperor Watch and Jewellery Centre, 8 Russell Street, Causeway Bay, Hong Kong

Usage: for retail shop

Term: 3 years from 12 September 2017 to 11 September 2020

Rent: HK\$1,900,000.00 per month, exclusive of rates, management fees and all other outgoings charges

Deposit: HK\$6,099,750.00

AGGREGATE ANNUAL CAPS OF THE TENANCY AGREEMENTS AND THE PREVIOUS SUPPLEMENTAL TENANCY AGREEMENTS

Aggregate Annual Cap (50-56 Russell Street) for the First Tenancy Agreement, the Second Tenancy Agreement, the Third Tenancy Agreement and the Previous Supplemental Tenancy Agreements (which are aggregated under Rule 14A.81 of the Listing Rules) :

A. based on the total annual effective rental received/receivable thereunder by Emperor International for each of the years ending 31 March 2018, 2019, 2020 and 2021 will be as follows:

	2018	2019	2020	2021
	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>
First Tenancy Agreement	5,820,000	13,200,000	13,200,000	7,381,000
Second Tenancy Agreement	9,900,000	13,200,000	13,200,000	3,300,000
Third Tenancy Agreement	15,342,000	34,800,000	34,800,000	19,459,000
First Previous Supplemental Tenancy Agreement	8,187,000	-	-	-
Second Previous Supplemental Tenancy Agreement	3,306,000	-	-	-
Third Previous Supplemental Tenancy Agreement	22,493,000	-	-	-
Total	<u><u>65,048,000</u></u>	<u><u>61,200,000</u></u>	<u><u>61,200,000</u></u>	<u><u>30,140,000</u></u>

B. based on the total annual effective rental paid/payable thereunder by Emperor W&J for each of the years ending 31 December 2017, 2018, 2019 and 2020 will be as follows:

	2017	2018	2019	2020
	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>
First Tenancy Agreement	2,520,000	13,200,000	13,200,000	10,681,000
Second Tenancy Agreement	6,600,000	13,200,000	13,200,000	6,600,000
Third Tenancy Agreement	6,642,000	34,800,000	34,800,000	28,159,000
First Previous Supplemental Tenancy Agreement	11,847,000	-	-	-
Second Previous Supplemental Tenancy Agreement	6,611,000	-	-	-
Third Previous Supplemental Tenancy Agreement	32,549,000	-	-	-
Total	<u><u>66,769,000</u></u>	<u><u>61,200,000</u></u>	<u><u>61,200,000</u></u>	<u><u>45,440,000</u></u>

Aggregate Annual Cap (8 Russell Street) for the Fourth Tenancy Agreement and the Fourth Previous Supplemental Tenancy Agreement (which are aggregated under Rule 14A.81 of the Listing Rules) :

A. based on the total annual effective rental received/receivable thereunder by Emperor International for each of the years ending 31 March 2018, 2019, 2020 and 2021 will be as follows:

	2018	2019	2020	2021
	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>
Fourth Tenancy Agreement	12,604,000	22,800,000	22,800,000	10,197,000
Fourth Previous Supplemental Tenancy Agreement	10,085,000	-	-	-
Total	<u>22,689,000</u>	<u>22,800,000</u>	<u>22,800,000</u>	<u>10,197,000</u>

B. based on the total annual effective rental paid/payable thereunder by Emperor W&J for each of the years ending 31 December 2017, 2018, 2019 and 2020 will be as follows:

	2017	2018	2019	2020
	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>
Fourth Tenancy Agreement	6,904,000	22,800,000	22,800,000	15,897,000
Fourth Previous Supplemental Tenancy Agreement	15,722,000	-	-	-
Total	<u>22,626,000</u>	<u>22,800,000</u>	<u>22,800,000</u>	<u>15,897,000</u>

REASONS AND BENEFITS FOR THE TENANCY AGREEMENTS

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. Richorse and Planwing are principally engaged in property investment. The Properties are owned by Richorse and Planwing for rental income.

Emperor W&J 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 Emperor W&J and its subsidiaries.

The terms of the Tenancy Agreements are arrived at after arm's length negotiation and the respective rental was determined with reference to the prevailing market rental of similar property in the nearby locations. The directors of both Emperor International and Emperor W&J (including their respective independent non-executive directors) considered that the terms of the Tenancy Agreements are fair and reasonable and the transactions are on normal commercial terms, in the ordinary and usual course of business and in the interests of both Emperor International and Emperor W&J and their respective shareholders as a whole.

GENERAL

Richorse and Planwing are indirect wholly-owned subsidiaries of Emperor International. Beauty Royal is indirect wholly-owned subsidiary of Emperor W&J. Emperor International and Emperor W&J are both indirectly controlled by the AY Trust. As such, Beauty Royal is a connected person of Emperor International whilst each of Richorse and Planwing is a connected person of Emperor W&J under Chapter 14A of the Listing Rules, and accordingly, the Tenancy Agreements constitute continuing connected transactions for both Emperor International and Emperor W&J.

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 transactions 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.

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 Agreements are 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.

TERMS USED IN THIS ANNOUNCEMENT

“Aggregate Annual Cap (50-56 Russell Street)”	the maximum amount of effective rental received/receivable by Emperor International or paid/payable by Emperor W&J (as the case may be) under the First Tenancy Agreement, the Second Tenancy Agreement, the Third Tenancy Agreement, the Previous Supplemental Tenancy Agreement for each of their respective financial years
“Aggregate Annual Cap (8 Russell Street)”	the maximum amount of effective rental received/receivable by Emperor International or paid/payable by Emperor W&J (as the case may be) under the Fourth Tenancy Agreement and the Fourth Previous Supplemental Tenancy Agreement for each of their respective financial years

“AY Trust”	The Albert Yeung Discretionary Trust, a discretionary trust set up by Dr. Yeung Sau Shing, Albert
“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
“First Property”	Ground Floor (Shop B including the yard), Office B and the Balcony adjacent thereto on First Floor and Office B and the Balcony adjacent thereto on Second Floor, Tak Fat Building, 50-52 Russell Street, Causeway Bay, Hong Kong, with gross floor area of 3,421 sq. ft.
“First Previous Supplemental Tenancy Agreement”	a supplemental tenancy agreement dated 27 May 2016 entered into between Richorse as landlord and Beauty Royal as tenant in relation to the tenancy of the First Property for the period from 23 October 2014 to 22 October 2017, details of which were set out in the joint announcement of Emperor International and Emperor W&J dated 27 May 2016
“First Tenancy Agreement”	a tenancy agreement dated 30 June 2017 entered into between Richorse as landlord and Beauty Royal as tenant in relation to the tenancy of the First Property for the period from 23 October 2017 to 22 October 2020
“Fourth Property”	Shops 1 & 2 on Ground Floor (with gross floor area of 3,367 sq. ft.) together with a right to use (i) External Wall Unit 1 on 1st Floor; (ii) External Wall Unit 2 on 6th-29th Floor and Roof; (iii) a LED Display on the External Wall on 5th Floor; (iv) 2 Signboards on External Wall on 1st-3rd Floor; (v) 2 Signboards on External Wall on 5th Floor; and (vi) Signage Space A on 1st Floor, Emperor Watch and Jewellery Centre, 8 Russell Street, Causeway Bay, Hong Kong

“Fourth Tenancy Agreement”	a tenancy agreement dated 30 June 2017 entered into between Planwing as landlord and Beauty Royal as tenant in relation to the tenancy of the Fourth Property for the period from 12 September 2017 to 11 September 2020
“Fourth Previous Supplemental Tenancy Agreement”	a supplemental tenancy agreement dated 27 May 2016 entered into between Planwing as landlord and Beauty Royal as tenant in relation to the tenancy of the Fourth Property for the period from 12 September 2014 to 11 September 2017, details of which were set out in the joint announcement of Emperor International and Emperor W&J dated 27 May 2016
“HK\$”	Hong Kong dollars
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Planwing”	Planwing Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of Emperor International
“Previous Supplemental Tenancy Agreements”	the First Previous Supplemental Tenancy Agreement, the Second Previous Supplemental Tenancy Agreement and the Third Previous Supplemental Tenancy Agreement
“Properties”	the First Property, the Second Property, the Third Property and the Fourth Property
“PRC”	The People’s Republic of China
“Richorse”	Richorse Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of Emperor International
“Second Property”	Shop A on Ground Floor including the Yard and Office A on First Floor, Tak Fat Building, 50 - 52 Russell Street, Causeway Bay, Hong Kong, with gross floor area of 3,315 sq. ft.
“Second Previous Supplemental Tenancy Agreement”	a supplemental tenancy agreement dated 27 May 2016 entered into between Richorse and Beauty Royal in relation to the tenancy of the Second Property for the period from 1 July 2014 to 30 June 2017, details of which were set out in the joint announcement of Emperor International and Emperor W&J dated 27 May 2016

“Second Tenancy Agreement”	a tenancy agreement dated 30 June 2017 entered into between Richorse as landlord and Beauty Royal as tenant in relation to the Second Property for the period from 1 July 2017 to 30 June 2020
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tenancy Agreements”	the First Tenancy Agreement, the Second Tenancy Agreement, the Third Tenancy Agreement and the Fourth Tenancy Agreement
“Third Property”	The whole of 54 - 56 Russell Street (with gross floor area of 4,224 sq. ft.) together with the right to use a LED Display on external wall on 1st- 5th Floor and 9 advertising signboards, 54 - 56 Russell Street, Causeway Bay, Hong Kong
“Third Previous Supplemental Tenancy Agreement”	a supplemental tenancy agreement dated 27 May 2016 entered into between Richorse as landlord and Beauty Royal as tenant in relation to the Third Property for the period from 23 October 2014 to 22 October 2017, details of which were set out in the joint announcement of Emperor International and Emperor W&J dated 27 May 2016
“Third Tenancy Agreement”	a tenancy agreement dated 30 June 2017 entered into between Richorse as landlord and Beauty Royal as tenant in relation to the tenancy of the Third Property for the period from 23 October 2017 to 22 October 2020
“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, 30 June 2017

As at the date hereof, the board of directors of Emperor International comprises:

Non-executive Directors: 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. Chan Sim Ling, Irene
Mr. Liu Hing Hung
Ms. Chan Wiling, Yvonne