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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 June 2017, I Soi as landlord entered into the Tenancy Agreement with EWJ Macau as tenant in relation to the renewal of tenancies of the Properties.

Under Chapter 14A of the Listing Rules, EWJ Macau is a connected person of Emperor International whilst I Soi is a connected person of Emperor W&J and 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 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 29 June 2017, I Soi as landlord entered into a Tenancy Agreement with EWJ Macau as tenant in relation to the renewal of tenancies of the Properties.

### **TENANCY AGREEMENT DATED 29 JUNE 2017**

Landlord: I Soi

Tenant: EWJ Macau

Property 1: EM Macau, Avenida Do Infante D., Henrique N<sup>o</sup>S 67-69, Res-Do-Chao B & EM Macau, Rua Do Dr., Pedro Jose Lobo N<sup>o</sup>5, Res-Do-Chao C2, Macau with gross floor area 1,600 sq. ft.

Property 2: EM Macau, Avenida Do Infante D., Henrique N<sup>o</sup> 65-A, 1<sup>o</sup> Andar B with gross floor area 1,575 sq. ft.

*\* for identification purpose only*

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

Rent: Property 1 - 1st year : HK\$380,000.00 per month  
2nd year : HK\$400,000.00 per month  
3rd year : HK\$420,000.00 per month

Property 2 - HK\$8,500.00 per month

All rents are exclusive of management fees, Government rates and rent, air-conditioning charges and all other outgoing charges, payable monthly in advance

Rent Free: 15 days from 1 July 2017 to 15 July 2017  
(both days inclusive)

Effective Rent: Property 1 - HK\$394,892.47 per month

Property 2 - HK\$8,385.75 per month

Deposit: Property 1 - HK\$1,260,000.00  
(equivalent to three months' highest rent)

Property 2 - HK\$25,500.00  
(equivalent to three months' rent)

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

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

The Aggregate Annual Cap of Emperor International 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 received / receivable thereunder by Emperor International for each of the years ending 31 March 2018, 2019, 2020 and 2021 will be as follows:

	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>
Tenancy Agreement	3,630,000	4,840,000	4,840,000	1,210,000
Previous Tenancy Agreement	1,443,000	-	-	-
Total	<u>5,073,000</u>	<u>4,840,000</u>	<u>4,840,000</u>	<u>1,210,000</u>

### ***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 by Emperor W&J for each of the years ending 31 December 2017, 2018, 2019 and 2020 will be as follows:

	<b>2017</b> <i>HK\$</i>	<b>2018</b> <i>HK\$</i>	<b>2019</b> <i>HK\$</i>	<b>2020</b> <i>HK\$</i>
Tenancy Agreement	2,420,000	4,840,000	4,840,000	2,420,000
Previous Tenancy Agreement	2,885,000	-	-	-
Total	<u>5,305,000</u>	<u>4,840,000</u>	<u>4,840,000</u>	<u>2,420,000</u>

## **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. I Soi is principally engaged in property investment. The Properties are held by I Soi as investment properties 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. EWJ Macau is principally engaged in the sales of luxurious branded watches, and the design and sales of jewellery products in Macau. Property 1 and Property 2 are used by EWJ Macau for retail and domestic purposes respectively.

The terms of the Tenancy Agreement are arrived at after arm's length negotiation and 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 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 both Emperor International and Emperor W&J and their respective shareholders as a whole.

## **GENERAL**

I Soi is an indirect wholly-owned subsidiary of Emperor International. EWJ Macau is an indirect wholly-owned subsidiary of Emperor W&J. Emperor International and Emperor W&J are both indirectly controlled by the AY Trust. As such, EWJ Macau is a connected person of Emperor International and I Soi is a connected person of Emperor W&J under Chapter 14A of the Listing Rules and accordingly, the Tenancy Agreement constitutes a continuing connected transaction 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 transaction 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 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 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 reporting, announcement 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 rental received / receivable by Emperor International under the Tenancy Agreement and the Previous Tenancy Agreement for each of the years ending 31 March 2018, 2019, 2020 and 2021 based on the total annual effective 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 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
“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
“EWJ Macau”	EWJ Macau Company Limited, a company incorporated in Macau with limited liability and an indirect wholly-owned subsidiary of Emperor W&J
“I Soi”	I Soi Limitada, a company incorporated in Macau with limited liability and an indirect wholly-owned subsidiary of Emperor International
“Previous Tenancy Agreement”	a tenancy agreement dated 30 June 2014 entered into between I Soi as landlord and EWJ Macau as tenant in relation to the tenancy of the Properties for the period from 1 July 2014 to 30 June 2017 (both days inclusive), details of which were set out in the joint announcement of Emperor International and Emperor W&J dated 30 June 2014
“Properties”	Property 1 and Property 2
“Property 1”	EM Macau, Avenida Do Infante D., Henrique N <sup>o</sup> S 67-69, Res-Do-Chao B & EM Macau, Rua Do Dr., Pedro Jose Lobo N <sup>o</sup> 5, Res-Do-Chao C2, Macau with gross floor area 1,600 sq. ft.
“Property 2”	EM Macau, Avenida Do Infante D., Henrique N <sup>o</sup> 65-A, 1 <sup>o</sup> Andar B with gross floor area 1,575 sq. ft.

“HK\$”	Hong Kong dollars
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	The People’s Republic of China
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tenancy Agreement”	a tenancy agreement dated 29 June 2017 entered into between I Soi and EWJ Macau in relation to the renewal of tenancies of the Properties
“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, 29 June 2017

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:* 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