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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 12 September 2014, Planwing as landlord entered into the Tenancy Agreement with Beauty Royal as tenant in relation to the tenancy of the Property.

Planwing 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 controlled by the AY Trust. As such, Beauty Royal is a connected person of Emperor International whilst Planwing is a connected person 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 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 is exempt from the approval of the respective independent shareholders 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 12 September 2014, Planwing as landlord entered into the Tenancy Agreement with Beauty Royal as tenant in relation to the tenancy of the Property.

TENANCY AGREEMENT DATED 12 SEPTEMBER 2014

Landlord:	Planwing
Tenant:	Beauty Royal
Property:	Shops 1 & 2 on Ground Floor with a total gross area of 3,367 sq. ft. together with a right to use (i) External Wall Unit 1 on 1 st Floor; (ii) External Wall Unit 2 on 6 th – 29 th Floor and Roof; (iii) a LED Display on the External Wall on 5 th Floor; (iv) 2 Signboards on External Wall on 1 st - 3 rd Floor; (v) 2 Signboards on External Wall on 5 th Floor; and (vi) Signage Space A on 1 st Floor, Emperor Watch and Jewellery Centre (formerly known as No. 8 Russell Street), No. 8 Russell Street, Causeway Bay, Hong Kong

** for identification purposes only*

Usage:	Shops - for retail shop Others - for advertising purpose
Term:	3 years from 12 September 2014 to 11 September 2017 (both days inclusive)
Rent:	HK\$3,500,000.00 per month, exclusive of rates, management fee, air-conditioning charges and all other outgoings charges
Rent Free:	128 days (12 September 2014 to 31 October 2014, 1 September 2015 to 30 September 2015 and 1 September 2016 to 18 October 2016)
Effective Rent:	HK\$3,090,308.00 per month
Deposit:	HK\$11,006,850.00 which is equivalent to three months' rent, management fee, air-conditioning charges and rates

AGGREGATE ANNUAL CAPS OF THE TENANCY AGREEMENT, THE PREVIOUS LICENSE AGREEMENT AND THE PREVIOUS TENANCY AGREEMENTS

Aggregate Annual Cap of Emperor International

The Aggregate Annual Cap of Emperor International for the Tenancy Agreement, the Previous License Agreement and the Previous Tenancy Agreements (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 2015, 2016, 2017 and 2018 will be as follows:

	2015	2016	2017	2018
	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>
Tenancy Agreement	20,500,000	37,084,000	37,084,000	16,585,000
Previous License Agreement	1,992,000	-	-	-
First Previous Tenancy Agreement	10,660,000 <i>(Note 1)</i>	-	-	-
Second Previous Tenancy Agreement / renewed Second Previous Tenancy Agreement	27,199,000 <i>(Note 2)</i>	33,120,000 <i>(Note 3)</i>	33,120,000 <i>(Note 3)</i>	21,988,000 <i>(Note 3)</i>
Total	60,351,000	70,204,000	70,204,000	38,573,000

Notes:

1. The amount represents the effective rental received for the period from 1 April 2014 to 11 September 2014 (the date of early termination as agreed between both parties) under the First Previous Tenancy Agreement.
2. The amount represents the effective rental received / receivable for the period from 1 April 2014 to 29 November 2014 under the Second Previous Tenancy Agreement and the rental receivable for the period from 30 November 2014 to 31 March 2015 assuming Beauty Royal will exercise the option under the Second Previous Tenancy Agreement to renew the tenancy at 120% of the third year rent per month.
3. Assuming Beauty Royal will exercise the option under the Second Previous Tenancy Agreement to renew the tenancy at 120% of the third year rent per month.

Aggregate Annual Cap of Emperor W&J

The Aggregate Annual Cap of Emperor W&J under the Tenancy Agreement, the Previous License Agreement and the Previous Tenancy Agreements (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, 2015, 2016 and 2017 will be as follows:

	2014 <i>HK\$</i>	2015 <i>HK\$</i>	2016 <i>HK\$</i>	2017 <i>HK\$</i>
Tenancy Agreement	11,228,000	37,084,000	37,084,000	25,856,000
Previous License Agreement	2,742,000	-	-	-
First Previous Tenancy Agreement <i>(Note 1)</i>	16,619,000	-	-	-
Second Previous Tenancy Agreement <i>(Note 2)</i>	22,117,000	-	-	-
Total	52,706,000	37,084,000	37,084,000	25,856,000

Notes:

1. The amount represents the effective rental paid for the period from 1 January 2014 to 11 September 2014 (the date of early termination as agreed between both parties) under the First Previous Tenancy Agreement.
2. Since the exercise of the option to renew the Second Previous Tenancy Agreement is at the discretion of Emperor W&J, the remaining annual cap of Emperor W&J under such agreement is calculated only based on the total annual effective rental paid / payable for the period from 1 January 2014 to 29 November 2014 in respect of the year ending 31 December 2014.

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 as well as hotel and hotel related operations in Hong Kong, Macau and the PRC. The Property is held by Planwing as investment property for rental 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.

The terms of the Tenancy Agreement are arrived at after arm's length negotiation and are on normal commercial terms. 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 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 transaction 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

Planwing 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 and Planwing is a connected person 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 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 is exempt from the approval of the respective independent shareholders 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, the Previous License Agreement and the Previous Tenancy Agreements for each of the years ending 31 March 2015, 2016, 2017 and 2018 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, the Previous License Agreement and the Previous Tenancy Agreements for each of the years ending 31 December 2014, 2015, 2016 and 2017 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
“First Previous Property”	Shops 1 & 2, G/F, Emperor Watch and Jewellery Centre (formerly known as No. 8 Russell Street), No. 8 Russell Street, Causeway Bay, Hong Kong with a total gross area of 3,367 sq.ft. together with a right of use three outdoor advertising signs and signage space A on 1/F
“First Previous Tenancy Agreement”	a tenancy agreement dated 29 November 2011 entered into between Planwing and Beauty Royal in relation to the tenancy of the First Previous Property for the period from 1 December 2011 to 30 November 2014 (both days inclusive), details of which were set out in the joint announcement of Emperor International and Emperor W&J dated 29 November 2011. This agreement was terminated on 11 September 2014 as agreed between both parties
“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
“PRC”	The People’s Republic of China
“Previous License Agreement”	a license agreement dated 29 November 2011 entered into between Planwing and Beauty Royal in relation to the license of the signage space B at the external wall on 1/F, 8 Russell Street, Causeway Bay, Hong Kong for the period from 30 November 2011 to 29 November 2014 (both days inclusive), details of which were set out in the joint announcement of Emperor International and Emperor W&J dated 29 November 2011
“Previous Tenancy Agreements”	the First Previous Tenancy Agreement and the Second Previous Tenancy Agreement

“Property”	Shops 1 & 2 on Ground Floor with a total gross area of 3,367 sq. ft. together with a right to use (i) External Wall Unit 1 on 1 st Floor; (ii) External Wall Unit 2 on 6 th – 29 th Floor and Roof; (iii) a LED Display on the External Wall on 5 th Floor; (iv) 2 Signboards on External Wall on 1 st - 3 rd Floor; (v) 2 Signboards on External Wall on 5 th Floor; and (vi) Signage Space A on 1 st Floor, Emperor Watch and Jewellery Centre (formerly known as No. 8 Russell Street), No. 8 Russell Street, Causeway Bay, Hong Kong
“Second Previous Property”	Shops 3 & 5, G/F, Emperor Watch and Jewellery Centre (formerly known as No. 8 Russell Street), No. 8 Russell Street, Causeway Bay, Hong Kong with a total gross area of 3,068 sq.ft.
“Second Previous Tenancy Agreement”	a tenancy agreement dated 25 May 2011 entered into between Planwing and Beauty Royal in relation to the tenancy of the Second Previous Property for the period from 30 November 2011 to 29 November 2014 (both days inclusive) with an option to renew for three years at monthly rental of not more than 120% of HK\$2,300,000.00, details of which were set out in the announcements of Emperor International and Emperor W&J both dated 25 May 2011
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tenancy Agreement”	a tenancy agreement dated 12 September 2014 entered into between Planwing and Beauty Royal in relation to the tenancy of the Property
“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, 12 September 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