

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



**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 boards of directors of Emperor International and Emperor W&J announce that on 28 March 2013, Very Sound as landlord entered into the First Tenancy Agreement and the Second Tenancy Agreement with Beauty Royal as tenant in relation to the tenancies of the First Property and the Second Property respectively.

Very Sound is an indirect wholly-owned subsidiary of Emperor International. Beauty Royal is an indirect wholly-owned subsidiary of Emperor W&J. Emperor International and Emperor W&J are indirectly owned as to 74.93% and 52.57% respectively by the AY Trust, a discretionary trust set up by Dr. Albert Yeung. As such, Beauty Royal is a connected person of Emperor International and Very Sound is a connected person of Emperor W&J under Chapter 14A of the Listing Rules. Accordingly, the First Tenancy Agreement and the Second Tenancy Agreement constitute continuing connected transactions for both of 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% under Rule 14A.34 of the Listing Rules, the First Tenancy Agreement and the Second Tenancy Agreement are subject to the reporting and announcement requirements set out in Rules 14A.45 to 14A.47 of the Listing Rules, the annual review requirements set out in Rules 14A.37 and 14A.40 and the requirements set out in Rules 14A.35(1) and 14A.35(2) but are 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 28 March 2013, Very Sound as landlord entered into the First Tenancy Agreement and the Second Tenancy Agreement with Beauty Royal as tenant in relation to the tenancies of the First Property and the Second Property respectively.

\* *for identification purposes only*

### **FIRST TENANCY AGREEMENT DATED 28 MARCH 2013**

Landlord: Very Sound

Tenant: Beauty Royal

First Property: The whole of 25/F & Car Parking Space No. 27, B2/F, Emperor Group Centre, 288 Hennessy Road, Wanchai, Hong Kong with gross floor area of 9,323 sq. ft.

Usage: for office

Term: 3 years from 1 April 2013 to 31 March 2016 (both days inclusive)

Rent: HK\$290,000.00 per month, exclusive of rates, management fees and all other outgoings, payable monthly in advance

Deposit: HK\$1,059,665.37 which is equivalent to three months' rent, management fee and rates

### **SECOND TENANCY AGREEMENT DATED 28 MARCH 2013**

Landlord: Very Sound

Tenant: Beauty Royal

Second Property: Shops G03-05, Ground Floor, Emperor Group Centre, 288 Hennessy Road, Wanchai, Hong Kong with gross floor area of 4,814 sq. ft.

Usage: for retail shop

Term: 3 years from 1 April 2013 to 31 March 2016 (both days inclusive)

Rent: HK\$550,000.00 per month, exclusive of rates, management fees and all other outgoings, payable monthly in advance

Deposit: HK\$1,748,589.00 which is equivalent to three months' rent, management fee and rates

### **AGGREGATE ANNUAL CAPS OF THE FIRST TENANCY AGREEMENT, THE SECOND TENANCY AGREEMENT, THE FIRST PREVIOUS TENANCY AGREEMENT, THE SECOND PREVIOUS TENANCY AGREEMENT, THE THIRD PREVIOUS TENANCY AGREEMENT, THE FOURTH PREVIOUS TENANCY AGREEMENT AND THE FIFTH PREVIOUS TENANCY AGREEMENT**

The Aggregate Annual Cap of Emperor International for the First Tenancy Agreement, the Second Tenancy Agreement, the First Previous Tenancy Agreement, the Second Previous Tenancy Agreement, the Third Previous Tenancy Agreement, the Fourth Previous Tenancy Agreement and the Fifth Previous Tenancy Agreement (which are

aggregated under Rule 14A.25 of the Listing Rules) based on the total annual effective rental received/receivable thereunder for each of the years ending 31 March 2013, 2014, 2015 and 2016 will be as follows:

	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>
First Tenancy Agreement	–	3,480,000	3,480,000	3,480,000
Second Tenancy Agreement	–	6,600,000	6,600,000	6,600,000
First Previous Tenancy Agreement	471,000	1,266,000	795,000	–
Second Previous Tenancy Agreement	299,000	225,000	–	–
Third Previous Tenancy Agreement	634,800	–	–	–
	<i>(Note 1)</i>			
Fourth Previous Tenancy Agreement	5,040,000	–	–	–
	<i>(Note 2)</i>			
Fifth Previous Tenancy Agreement	2,186,400	–	–	–
	<i>(Note 1)</i>			
Total	<u>8,631,200</u>	<u>11,571,000</u>	<u>10,875,000</u>	<u>10,080,000</u>

*Notes:*

1. The Third and Fifth Previous Tenancy Agreement are together renewed as First Tenancy Agreement.
2. The Fourth Previous Tenancy Agreement is renewed as Second Tenancy Agreement.

The Aggregate Annual Cap of Emperor W&J for the First Tenancy Agreement, the Second Tenancy Agreement, the First Previous Tenancy Agreement, the Second Previous Tenancy Agreement, the Third Previous Tenancy Agreement, the Fourth Previous Tenancy Agreement and the Fifth Previous Tenancy Agreement (which are aggregated under Rule 14A.25 of the Listing Rules) based on the total annual effective rental paid/payable thereunder for each of the years ending 31 December 2013, 2014, 2015 and 2016 will be as follows:

	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>
First Tenancy Agreement	2,610,000	3,480,000	3,480,000	870,000
Second Tenancy Agreement	4,950,000	6,600,000	6,600,000	1,650,000
First Previous Tenancy Agreement	1,266,000	1,111,000	–	–
Second Previous Tenancy Agreement	299,000	–	–	–
Third Previous Tenancy Agreement	158,700	–	–	–
	<i>(Note 1)</i>			
Fourth Previous Tenancy Agreement	1,260,000	–	–	–
	<i>(Note 2)</i>			
Fifth Previous Tenancy Agreement	546,600	–	–	–
	<i>(Note 1)</i>			
Total	<u>11,090,300</u>	<u>11,191,000</u>	<u>10,080,000</u>	<u>2,520,000</u>

*Notes:*

1. The amount is calculated by the effective rental paid for the period from 1 January 2013 to 31 March 2013 in respect of the Third Previous Property and the Fifth Previous Property which are renewed as the First Tenancy Agreement.
2. The amount is calculated by the effective rental paid for the period from 1 January 2013 to 31 March 2013 in respect of the Fourth Previous Property which is renewed as the Second Tenancy Agreement.

## **REASONS AND BENEFITS FOR THE FIRST TENANCY AGREEMENT AND THE SECOND TENANCY AGREEMENT**

Emperor International is an investment holding company and its subsidiaries are principally engaged in property development and investment, and hotel operation. The First Property and the Second Property are held by Emperor International as investment properties 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 and the PRC.

The terms of the First Tenancy Agreement and the Second Tenancy Agreement are arrived at after arm's length negotiation and are on normal commercial terms. The rentals of the First Tenancy Agreement and the Second Tenancy Agreement were 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) consider that the First Tenancy Agreement and the Second Tenancy Agreement are 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 at the respective board meetings of Emperor International and Emperor W&J in view of their deemed interests in the transactions 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 at the respective board meetings of Emperor International and Emperor W&J.

## **GENERAL**

Very Sound 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 74.93% and 52.57% respectively by the AY Trust, a discretionary trust set up by Dr. Albert Yeung. As such, Beauty Royal is a connected person of Emperor International and Very Sound is a connected person of Emperor W&J under Chapter 14A of the Listing Rules. Accordingly, the First Tenancy Agreement and the Second Tenancy Agreement constitute continuing connected transactions for both of 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% under Rule 14A.34 of the Listing Rules, the First Tenancy Agreement and the Second Tenancy Agreement are subject to the reporting and announcement requirements set out in Rules 14A.45 to 14A.47 of the Listing Rules, the annual review requirements set out in Rules 14A.37 and 14A.40 and the requirements set out in Rules 14A.35(1) and 14A.35(2) but are 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 rental received/receivable by Emperor International under the First Tenancy Agreement, the Second Tenancy Agreement, the First Previous Tenancy Agreement, the Second Previous Tenancy Agreement, the Third Previous Tenancy Agreement, the Fourth Previous Tenancy Agreement and the Fifth Previous Tenancy Agreement based on the total annual effective rental received/receivable thereunder for each of the years ending 31 March 2013, 2014, 2015 and 2016
“Aggregate Annual Cap of Emperor W&J”	the maximum amount of effective rental paid/payable by Emperor W&J under the First Tenancy Agreement, the Second Tenancy Agreement, the First Previous Tenancy Agreement, the Second Previous Tenancy Agreement, the Third Previous Tenancy Agreement, the Fourth Previous Tenancy Agreement and the Fifth Previous Tenancy Agreement based on the total annual effective rental paid/payable thereunder for each of the years ending 31 December 2013, 2014, 2015 and 2016
“AY Trust”	The Albert Yeung Discretionary Trust, a discretionary trust set up by Dr. Albert Yeung
“Beauty Royal”	Beauty Royal Limited, a company incorporated in Hong Kong 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
“Fifth Previous Property”	Unit 2501-05, 25/F., Emperor Group Centre, 288 Hennessy Road, Wanchai, Hong Kong with gross floor area of 7,288 sq. ft.
“Fifth Previous Tenancy Agreement”	A tenancy agreement dated 30 March 2010 entered into between Very Sound and Beauty Royal in relation to the tenancy of the Fifth Previous Property for the period from 1 April 2010 to 31 March 2013 (both days inclusive), details were set out in the joint announcement of Emperor International and Emperor W&J dated 30 March 2010
“First Previous Property”	Shops G01-02, Ground Floor, Emperor Group Centre, 288 Hennessy Road, Wanchai, Hong Kong with gross floor area of 948 sq.ft.
“First Previous Tenancy Agreement”	A tenancy agreement dated 16 November 2012 entered into between Very Sound and Beauty Royal in relation to the tenancy of the First Previous Property for the period from 17 November 2012 to 16 November 2014 (both days inclusive), details were set out in the joint announcement of Emperor International and Emperor W&J dated 16 November 2012
“First Property”	The whole of 25/F & Car Parking Space No. 27, B2/F, Emperor Group Centre, 288 Hennessy Road, Wanchai, Hong Kong with gross floor area of 9,323 sq.ft.
“First Tenancy Agreement”	A tenancy agreement dated 28 March 2013 entered into between Very Sound and Beauty Royal in relation to the tenancy of the First Property
“Fourth Previous Tenancy Agreement”	A tenancy agreement dated 30 March 2010 entered into between Very Sound and Beauty Royal in relation to the tenancy of the Fourth Previous Property for the period from 1 April 2010 to 31 March 2013 (both days inclusive), details were set out in the joint announcement of Emperor International and Emperor W&J dated 30 March 2010

“Headwise”	Headwise Investment Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of Emperor International and is principally engaged in property investment
“HK\$”	Hong Kong dollars
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	The People’s Republic of China
“Second Previous Property”	Unit 1505, 15/F, Emperor Group Centre, 288 Hennessy Road, Wanchai, Hong Kong with gross floor area of 941 sq. ft.
“Second Previous Tenancy Agreement”	A tenancy agreement dated 16 December 2011 entered into between Headwise and Beauty Royal in relation to the tenancy of the Second Previous Property for the period from 1 January 2012 to 31 December 2013 (both days inclusive), details were set out in the joint announcement of Emperor International and Emperor W&J dated 16 December 2011
“Second Property” or “Fourth Previous Property”	Shops G03-05, Ground Floor, Emperor Group Centre, 288 Hennessy Road, Wanchai, Hong Kong with gross floor area of 4,814 sq.ft.
“Second Tenancy Agreement”	A tenancy agreement dated 28 March 2013 entered into between Very Sound and Beauty Royal in relation to the tenancy of the Second Property
“sq. ft.”	square feet
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Third Previous Property”	Unit 2507, 25/F, Emperor Group Centre, 288 Hennessy Road, Wanchai, Hong Kong with gross floor area of 2,035 sq. ft.
“Third Previous Tenancy Agreement”	A tenancy agreement dated 14 September 2010 entered into between Very Sound and Beauty Royal in relation to the tenancy of the Third Previous Property for the period from 13 September 2010 to 31 March 2013 (both days inclusive), details were set out in the joint announcement of Emperor International and Emperor W&J dated 14 September 2010

“Very Sound”

Very Sound Investments Limited, a company incorporated in Hong Kong and an indirect wholly-owned subsidiary of Emperor International

“%”

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, 28 March 2013

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. Chan Man Hon, Eric  
Mr. Liu Hing Hung  
Ms. Cheng Ka Yu

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