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英皇娛樂酒店有限公司*
Emperor Entertainment Hotel Limited
(Incorporated in Bermuda with limited liability)
(Stock Code : 296)



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 E Hotel and Emperor W&J announce that on 31 March 2015, Grand Emperor as landlord entered into the Tenancy Agreement with EWJ Macau as tenant in relation to the tenancy of the Property.

Grand Emperor is indirectly owned as to 60% by Emperor E Hotel. EWJ Macau is an indirect wholly-owned subsidiary of Emperor W&J. Both Emperor E Hotel and Emperor W&J are indirectly controlled by the AY Trust. As such, under Chapter 14A of the Listing Rules, EWJ Macau is a connected person of Emperor E Hotel and Grand Emperor is a connected person of Emperor W&J and accordingly, the Tenancy Agreement constitutes a continuing connected transaction for both Emperor E Hotel and Emperor W&J.

As the applicable percentage ratios (as defined in the Listing Rules) on an annual basis calculated with reference to the respective Aggregate Annual Cap of Emperor E Hotel 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 E Hotel and Emperor W&J under Chapter 14A of the Listing Rules.

The boards of directors of Emperor E Hotel and Emperor W&J announce that on 31 March 2015, Grand Emperor as landlord entered into the Tenancy Agreement with EWJ Macau as tenant in relation to the tenancy of the Property.

TENANCY AGREEMENT DATED 31 MARCH 2015

Landlord: Grand Emperor

Tenant: EWJ Macau

Property: Shop Nos. 1 - 4 on G/F., EM Macau, Travessa Central Da Praia Grande NoS 11-41, Hotel Animacao Imperial (also known as Shop Nos. 1 - 4 on G/F., Grand Emperor Hotel, 251-292D Avenida Comercial De Macau) with gross floor area of 4,391 sq. ft.

Usage: for retail shops

** for identification propose only*

Term:	3 years from 1 April 2015 to 31 March 2018 (both days inclusive)
Rent:	HK\$344,000.00 per month, inclusive of property tax and government rent, but exclusive of management fee, air-conditioning charges and all other outgoings
Rent Free:	2 months (1 April 2015 to 31 May 2015)
Effective Rent:	HK\$324,888.89 per month
Deposit:	HK\$1,032,000.00 which is equivalent to three months' rent

AGGREGATE ANNUAL CAPS OF THE TENANCY AGREEMENT AND PREVIOUS TENANCY AGREEMENTS

Aggregate Annual Cap of Emperor E Hotel

The Aggregate Annual Cap of Emperor E Hotel for the Tenancy Agreement and the Second Previous Tenancy Agreement (which is aggregated under Rule 14A.81 of the Listing Rules) based on the total annual effective rental receivable thereunder for each of the years ending 31 March 2016, 2017 and 2018 will be as follows:

	2016 <i>HK\$</i>	2017 <i>HK\$</i>	2018 <i>HK\$</i>
Tenancy Agreement	3,899,000	3,899,000	3,899,000
Second Previous Tenancy Agreement	2,246,400	2,246,400	561,600
Total	<u>6,145,400</u>	<u>6,145,400</u>	<u>4,460,600</u>

Aggregate Annual Cap of Emperor W&J

The Aggregate Annual Cap of Emperor W&J for the Tenancy Agreement and the Previous Tenancy Agreements (which are aggregated under Rule 14A.81 of the Listing Rules) based on the total annual effective rental paid / payable thereunder for each of the years ending 31 December 2015, 2016, 2017 and 2018 will be as follows:

	2015 <i>HK\$</i>	2016 <i>HK\$</i>	2017 <i>HK\$</i>	2018 <i>HK\$</i>
Tenancy Agreement	2,925,000	3,899,000	3,899,000	975,000
First Previous Tenancy Agreement	1,032,000	-	-	-
Second Previous Tenancy Agreement	2,246,400	2,246,400	1,123,200	-
Total	<u>6,203,400</u>	<u>6,145,400</u>	<u>5,022,200</u>	<u>975,000</u>

REASONS AND BENEFITS FOR THE TENANCY AGREEMENT

Emperor E Hotel is an investment holding company and its subsidiaries are principally engaged in provision of entertainment and hospitality services in Macau. The Property is held by Grand Emperor 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 E Hotel and Emperor W&J (including their respective independent non-executive directors) consider 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 E Hotel and Emperor W&J and their respective shareholders as a whole. Ms. Luk Siu Man, Semon, the Chairperson of Emperor E Hotel, did abstain from voting on the relevant board resolution(s) of Emperor E Hotel 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 E Hotel and Emperor W&J, also abstained from voting on the relevant board resolution(s).

GENERAL

Grand Emperor is indirectly owned as to 60% by Emperor E Hotel and principally engaged in hotel and hotel related operations in Macau. EWJ Macau is an indirect wholly-owned subsidiary of Emperor W&J and principally engaged in the sales of luxurious branded watches, and the design and sales of jewellery products in Macau.

Emperor E Hotel and Emperor W&J are indirectly owned as to 62.67% and 52.57% respectively by the AY Trust. As such, under Chapter 14A of the Listing Rules, EWJ Macau is a connected person of Emperor E Hotel whilst Grand Emperor is a connected person of Emperor W&J and accordingly, the Tenancy Agreement constitutes a continuing connected transaction for both Emperor E Hotel and Emperor W&J.

As the applicable percentage ratios (as defined in the Listing Rules) on an annual basis calculated with reference to the respective Aggregate Annual Cap of Emperor E Hotel 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 Emperor E Hotel and Emperor W&J under Chapter 14A of the Listing Rules.

TERMS USED IN THIS ANNOUNCEMENT

“Aggregate Annual Cap of Emperor E Hotel”	the maximum amount of effective rental receivable by Emperor E Hotel under the Tenancy Agreement and the Second Previous Tenancy Agreement for each of the years ending 31 March 2016, 2017 and 2018 based on the total annual effective rental 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 Agreements for each of the years ending 31 December 2015, 2016, 2017 and 2018 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 E Hotel and Emperor W&J
“Emperor E Hotel”	Emperor Entertainment Hotel 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
“EWJ Watch & Jewellery”	EWJ Watch & Jewellery (Macau) Company Limited (formerly known as EWJ Watch & Jewellery Company Limited), a company incorporated in Macau with limited liability and a fellow subsidiary of EWJ Macau
“First Previous Tenancy Agreement”	a tenancy agreement dated 28 March 2012 entered into between Pacific Strong and EWJ Watch & Jewellery in relation to the tenancy of the Property for the period from 1 April 2012 to 31 March 2015 (both days inclusive), details of which were set out in the joint announcement of Emperor E Hotel and Emperor W&J dated 28 March 2012. The tenancy of the Property has been assigned to EWJ Macau as the new tenant since 1 June 2014
“Grand Emperor” or “Pacific Strong”	Grand Emperor Entertainment & Hotel (Macau) Limited (formerly known as Pacific Strong Bases (Holding) Company Limited), a company incorporated in Macau with limited liability and is indirectly owned as to 60% by Emperor E Hotel

“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 Property”	Shop No. 5 on G/F., EM Macau, Travessa Central Da Praia Grande NoS 11-41, Hotel Animacao Imperial (also known as Shop No. 5 on G/F., Grand Emperor Hotel, 251-292D Avenida Comercial De Macau) with gross floor area of 1,560 sq. ft.
“Previous Tenancy Agreements”	First Previous Tenancy Agreement and Second Previous Tenancy Agreement
“Property”	Shop Nos. 1 - 4 on G/F., EM Macau, Travessa Central Da Praia Grande NoS 11-41, Hotel Animacao Imperial (also known as Grand Emperor Hotel, 251-292D Avenida Comercial De Macau) with gross floor area of 4,391 sq. ft.
“Second Previous Tenancy Agreement”	a tenancy agreement dated 30 June 2014 entered into between Grand Emperor and EWJ Macau in relation to the tenancy of the Previous Property 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 E Hotel and Emperor W&J dated 30 June 2014
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tenancy Agreement”	a tenancy agreement dated 31 March 2015 entered into between Grand Emperor and EWJ Macau in relation to the tenancy of the Property
“sq. ft.”	square feet
“%”	per cent

By order of the board
Emperor Entertainment Hotel Limited
Luk Siu Man Semon
Chairperson

By order of the board
Emperor Watch & Jewellery Limited
Cindy Yeung
Chairperson

Hong Kong, 31 March 2015

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

Non-executive Director: Ms. Luk Siu Man, Semon

Executive Directors: Mr. Wong Chi Fai
Ms. Fan Man Seung, Vanessa

Independent Non-executive Directors: Ms. Chan Wiling, Yvonne
Ms. Wan Choi Ha
Mr. Yu King Tin

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