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**英皇鐘錶珠寶有限公司**  
**EMPEROR WATCH & JEWELLERY LIMITED**  
*(Incorporated in Hong Kong with limited liability)*  
**(Stock Code : 887)**

**CONNECTED TRANSACTION**  
**PURCHASE OF BRANDED WATCHES**

On 23 September 2016 (after trading hours), the Purchaser, an indirect wholly-owned subsidiary of the Company, entered into the S&P Agreement in respect of the purchase of the Branded Watches from the Vendor at the Consideration.

The Vendor is ultimately owned and controlled by the Relatives of Ms. Cindy Yeung who is the Chairperson and a Director of the Company. The Vendor is deemed by the Stock Exchange as a connected person of the Company pursuant to Chapter 14A of the Listing Rules. Accordingly, the Transaction constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules.

Since one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Transaction is more than 0.1% but less than 5%, the Transaction is subject to the announcement and reporting requirements, but is exempt from the approval of the independent Shareholders of the Company under Chapter 14A of the Listing Rules.

**PRINCIPAL TERMS OF THE S&P AGREEMENT**

*Date:* 23 September 2016 (after trading hours)

*Parties:*

- (1) Purchaser - 英皇鐘錶珠寶(北京)有限公司, a company incorporated in the PRC and an indirect wholly-owned subsidiary of the Company; and
- (2) Vendor - 晉裕商貿(上海)有限公司, a company incorporated in the PRC and is ultimately owned and controlled by the Relatives

*Assets to be purchased / sold:* Branded Watches

*Consideration:* Approximately RMB5.7 million (equivalent to approximately HK\$6.7 million) which was determined after arm's length negotiations between the Vendor and the Purchaser with reference to the fair market value of approximately RMB5.7 million and having taken into account the pricing guidelines of the Branded Watches

*Payment Term:* The Consideration shall be payable by the Purchaser within seven (7) business days after the receipt and acceptance of the Branded Watches by the Purchaser

## **INFORMATION OF THE VENDOR**

The Vendor is incorporated in the PRC with limited liability and is ultimately owned and controlled by the Relatives. The Vendor is principally engaged in, among other things, the sale of luxury watches in the PRC.

## **INFORMATION OF THE PURCHASER**

The Purchaser is an indirect wholly-owned subsidiary of the Company and is principally engaged in retail of European-made internationally renowned watches and self-designed fine jewellery products in the PRC.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE S&P AGREEMENT**

The Company is an investment holding company and its subsidiaries are principally engaged in the sale of European-made internationally renowned watches and self-designed fine jewellery products in Hong Kong, Macau, the PRC and Singapore. The Directors (including independent non-executive Directors) considered that the Transaction is beneficial for the Group as it allows the Purchaser to replenish a comprehensive range of particular branded watches at normal commercial terms for retail purpose.

In view of the above, the Directors (including independent non-executive Directors) considered that the terms of the Transaction are fair and reasonable, on normal commercial terms, in the ordinary and usual course of business of the Company and in the interest of the Company and its Shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

The Vendor is ultimately owned and controlled by the Relatives of Ms. Cindy Yeung who is the Chairperson and a Director of the Company. The Vendor is deemed by the Stock Exchange as a connected person of the Company pursuant to Chapter 14A of the Listing Rules. Accordingly, the Transaction constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules.

None of the Directors had material interest in the Transaction. Ms. Cindy Yeung, the Chairperson of the Company, did abstain from voting on the relevant board resolution(s) of the Company in view of her relationship with the Vendor.

Since one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Transaction is more than 0.1% but less than 5%, the Transaction is subject to the announcement and reporting requirements, but is exempt from the approval of the independent Shareholders of the Company under Chapter 14A of the Listing Rules.

## **TERMS USED IN THIS ANNOUNCEMENT**

“Branded Watches”	A total of ninety units of branded watches to be sold by the Vendor pursuant to the S&P Agreement. The original aggregate purchase cost incurred by the Vendor was approximately RMB 6.7 million
“Company”	Emperor Watch & Jewellery Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration”	approximately RMB5.7 million (equivalent to approximately HK\$6.7 million)
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries, from time to time
“HK\$”	Hong Kong dollars
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	The People’s Republic of China
“Purchaser”	英皇鐘錶珠寶(北京)有限公司, a company incorporated in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“Relatives”	Ms. Cindy Yeung’s aunt and her close family members
“RMB”	Renminbi, the lawful currency of the PRC

“S&P Agreement”	the agreement dated 23 September 2016 entered into between the Vendor and Purchaser for the sale and purchase of the Branded Watches, summary details of which are set out in the section headed “PRINCIPAL TERMS OF THE S&P AGREEMENT” of this announcement
“Shareholder(s)”	the shareholder(s) of the ordinary share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transaction”	the transaction(s) contemplated under the S&P Agreement
“Vendor”	晉裕商貿(上海)有限公司, a company incorporated in the PRC with limited liability and is ultimately owned and controlled by the Relatives
“%”	per cent

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

Hong Kong, 23 September 2016

As at the date hereof, the Board 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  
Ms. Lai Ka Fung, May  
Ms. Chan Sim Ling, Irene