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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 board of directors of Emperor International and Emperor W&J announce that on 28 December 2016, Gold Pleasure as licensor entered into the Sub-Licence Agreement with Beauty Royal as licensee in relation to the sub-licensing of the Signage.

Gold Pleasure 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 both indirectly controlled by the AY Trust. As such, Beauty Royal is a connected person of Emperor International whilst Gold Pleasure is a connected person of Emperor W&J under Chapter 14A of the Listing Rules. Accordingly, the Sub-Licence 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 the aggregate annual caps of both Emperor International and Emperor W&J are more than 0.1% but less than 5%, the Sub-Licence 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.

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### **SUB-LICENCE AGREEMENT DATED 28 DECEMBER 2016**

Licensor: Gold Pleasure

Licensee: Beauty Royal

Signage: Projected signage of 4-8 Canton Road, Kowloon, Hong Kong with approximate area of 76.4 sq. m.

Usage: for outdoor advertising

Term: 3 months (January, February and May of 2017)

Licence Fee: January – HK\$310,000.00  
February – HK\$310,000.00  
May – HK\$360,000.00

Inclusive of management fees and rates, but exclusive of electricity charges and other outgoing charges

Deposit: HK\$1,080,000.00 which is equivalent to three months' highest licence fee

**AGGREGATE ANNUAL CAPS OF THE SUB-LICENCE AGREEMENT, THE PREVIOUS SUB-LICENCE AGREEMENT, THE SUPPLEMENTAL TENANCY AGREEMENT AND THE PREVIOUS SUPPLEMENTAL TENANCY AGREEMENT**

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

The Aggregate Annual Cap of Emperor International under the Sub-Licence Agreement, the Previous Sub-Licence Agreement, the Supplemental Tenancy Agreement and the Previous Supplemental Tenancy Agreement (which are aggregated under Rule 14A.81 of the Listing Rules) based on the total annual effective licence fee / rental received / receivable thereunder by Emperor International for the years ending 31 March 2017 and 2018 will be as follows:

	<b>2017</b> <i>HK\$</i>	<b>2018</b> <i>HK\$</i>
Sub-Licence Agreement	620,000	360,000
Previous Sub-Licence Agreement	1,660,000	-
Supplemental Tenancy Agreement	31,934,000	29,050,000
Previous Supplemental Tenancy Agreement	7,695,000	-
Total	<u>41,909,000</u>	<u>29,410,000</u>

***Aggregate Annual Cap of Emperor W&J***

The Aggregate Annual Cap of Emperor W&J under the Sub-Licence Agreement and the Supplemental Tenancy Agreement (which are aggregated under Rule 14A.81 of the Listing Rules) based on the total annual effective licence fee / rental paid/ payable thereunder by Emperor W&J for the years ending 31 December 2017 and 2018 will be as follows:

	<b>2017</b> <i>HK\$</i>	<b>2018</b> <i>HK\$</i>
Sub-Licence Agreement	980,000	-
Supplemental Tenancy Agreement	38,321,000	310,000
Total	<u>39,301,000</u>	<u>310,000</u>

## **REASONS AND BENEFITS FOR THE SUB-LICENCE 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. Gold Pleasure is principally engaged in property investment. The Signage is owned by Gold Pleasure to generate licence fee income. Gold Pleasure is also the owner of the Property of which the Signage is adhered therewith.

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. Beauty Royal is principally engaged in the provision of group tenancy agent services for Emperor W&J and its subsidiaries. The Signage which is located above the Property as retail shops for Emperor W&J will be used for advertising purpose.

The terms of the Sub-Licence Agreement are arrived at after arm's length negotiation and the licence fee was determined with reference to the prevailing market licence fee of similar signages in the nearby locations. The directors of both Emperor International and Emperor W&J (including their respective independent non-executive directors) considered that the terms of the Sub-Licence 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**

Gold Pleasure 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 both indirectly controlled by the AY Trust. As such, Beauty Royal is a connected person of Emperor International whilst Gold Pleasure is a connected person of Emperor W&J under Chapter 14A of the Listing Rules. Accordingly, the Sub-Licence 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 transactions 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 Sub-Licence 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.

## TERMS USED IN THIS ANNOUNCEMENT

“Aggregate Annual Cap of Emperor International”	the maximum amount of effective licence fee / rental received / receivable by Emperor International under the Sub-Licence Agreement, the Previous Sub-Licence Agreement, the Supplemental Tenancy Agreement and the Previous Supplemental Tenancy Agreement for the years ending 31 March 2017 and 2018 based on the total annual effective licence fee / rental received / receivable thereunder
“Aggregate Annual Cap of Emperor W&J”	the maximum amount of effective licence fee / rental paid / payable by Emperor W&J under the Sub-Licence Agreement and the Supplemental Tenancy Agreement for the years ending 31 December 2017 and 2018 based on the total annual effective licence fee / rental payable thereunder
“AY Trust”	The Albert Yeung Discretionary Trust, a discretionary trust set up by Dr. Yeung Sau Shing, Albert
“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
“Gold Cheer”	Gold Cheer Corporation Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of Emperor International
“Gold Pleasure”	Gold Pleasure Investment Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of Emperor International
“Happy Rain”	Happy Rain Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of Emperor International
“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 Sub-Licence Agreement”	a sub-licence agreement dated 29 April 2016 entered into between Gold Pleasure as licensor and Beauty Royal as licensee in relation to the sub-licensing of the Signage for May, August, October and December 2016, details of which were set out in the joint announcement of Emperor International and Emperor W&J dated 29 April 2016
“Previous Supplemental Tenancy Agreement”	the Tenancy Agreement as amended and supplemented by a supplemental agreement dated 31 August 2015 by which the rental of the Property for the period from 1 October 2015 to 3 January 2018 had been revised, details of which were set out in the joint announcement of Emperor International and Emperor W&J dated 31 August 2015
“Property”	All of that Ground Floor and 1st Floor, Units A & B on 3/F, Portion A of Unit A on 4/F and roof together with a right to use of four outdoor advertising signs on the external walls to the building of Nos. 4-8 Canton Road, Kowloon, Hong Kong with a total gross floor area of 6,261 sq. ft.
“Signage”	projected signage of 4-8 Canton Road, Kowloon, Hong Kong with approximate area of 76.4 sq. m.
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Sub-Licence Agreement”	the sub-licence agreement dated 28 December 2016 entered into between Gold Pleasure as licensor and Beauty Royal as licensee in relation to the sub-licensing of the Signage
“Supplemental Tenancy Agreement”	the Previous Supplemental Tenancy Agreement as further amended and supplemented by a supplemental agreement dated 27 May 2016 by which the rental of the Property for the period from 1 June 2016 to 3 January 2018 has been revised, details of which were set out in the joint announcement of Emperor International and Emperor W&J dated 27 May 2016
“Tenancy Agreement”	the tenancy agreement dated 23 December 2014 entered into between Gold Pleasure, Total Treasure, Gold Cheer and Happy Rain as landlords and Beauty Royal as tenant in relation to the tenancy of the Property for the period from 4 January 2015 to 3 January 2018
“Total Treasure”	Total Treasure Investment Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of Emperor International

“0%”

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 December 2016

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. Yip Kam Man  
Ms. Lai Ka Fung, May  
Ms. Chan Sim Ling, Irene