

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 TRANSACTION

The boards of directors of Emperor International and Emperor W&J announce that on 27 February 2018, Gold Pleasure as licensor entered into the Licence Agreement with Beauty Royal as licensee in relation to the licensing of the Signage.

Under Chapter 14A of the Listing Rules, Beauty Royal is a connected person of Emperor International whilst Gold Pleasure is a connected person of Emperor W&J and accordingly, the 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) 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 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.

The boards of directors of Emperor International and Emperor W&J announce that on 27 February 2018, Gold Pleasure as licensor entered into the Licence Agreement with Beauty Royal as licensee in relation to the licensing of the Signage.

LICENCE AGREEMENT DATED 27 FEBRUARY 2018

Licensor : Gold Pleasure

Licensee: Beauty Royal

Signage: Projected signage of 4-8 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong with approximate area of 24.72 sq. m.

Usage: for outdoor advertising

Term: 6 months (March, May, August, October, November and December of 2018)

** for identification purpose only*

Licence fee:	March	-	HK\$132,000
	May	-	HK\$99,000
	August	-	HK\$99,000
	October	-	HK\$132,000
	November	-	HK\$110,000
	December	-	HK\$132,000

Inclusive of rates, but exclusive of electricity charges and other outgoings

Deposit: HK\$396,000 which is equivalent to the top three highest months' licence fee

AGGREGATE ANNUAL CAPS OF THE LICENCE AGREEMENT AND THE PREVIOUS TENANCY AGREEMENTS

Aggregate Annual Cap of Emperor International

The Aggregate Annual Cap of Emperor International under the Licence Agreement and the Previous Tenancy Agreements (which are aggregated under Rule 14A.81 of the Listing Rules) based on the total annual effective licence fee / rental received / receivable thereunder for each of the years ending 31 March 2018, 2019, 2020 and 2021 will be as follows:

	2018	2019	2020	2021
	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>
Licence Agreement	132,000	572,000	-	-
Previous Tenancy Agreement A	29,080,000	43,620,000	43,620,000	14,540,000
Previous Tenancy Agreement B ^(Note)	8,100,000	-	-	-
Total	37,312,000	44,192,000	43,620,000	14,540,000

Note: The Previous Tenancy Agreement B was terminated on 15 May 2017, details of which were set out in the joint announcement of Emperor International and Emperor W&J dated 4 May 2017.

Aggregate Annual Cap of Emperor W&J

The Aggregate Annual Cap of Emperor W&J under the Licence Agreement and the Previous Tenancy Agreement A (which are aggregated under Rule 14A.81 of the Listing Rules) based on the total annual effective licence fee / rental paid / payable thereunder for each of the years ending 31 December 2018, 2019 and 2020 will be as follows:

	2018	2019	2020
	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>
Licence Agreement	704,000	-	-
Previous Tenancy Agreement A	43,620,000	43,620,000	25,445,000
Total	44,324,000	43,620,000	25,445,000

REASONS AND BENEFITS FOR THE LICENCE AGREEMENT

Emperor International is an investment holding company and its subsidiaries are principally engaged in property investments, property development and hospitality in 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 Property A 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 Property A as retail shops for Emperor W&J will be used for advertising purpose.

The terms of the 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 properties 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 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, under Chapter 14A of the Listing Rules, Beauty Royal is a connected person of Emperor International whilst Gold Pleasure is a connected person of Emperor W&J and accordingly, the 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 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 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.

As the applicable percentage ratios (as defined in the Listing Rules) 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 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 Licence Agreement and the Previous Tenancy Agreements for each of the years ending 31 March 2018, 2019, 2020 and 2021 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 Licence Agreement and the Previous Tenancy Agreement A for each of the years ending 31 December 2018, 2019 and 2020 based on the total annual effective licence fee / rental paid / 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
“Landlords”	Gold Cheer, Gold Pleasure, Happy Rain and Total Treasure
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange

“Licence Agreement”	a licence agreement dated 27 February 2018 entered into between Gold Pleasure as licensor and Beauty Royal as licensee in relation to the licensing of the Signage
“PRC”	The People’s Republic of China
“Previous Tenancy Agreement A”	a tenancy agreement dated 27 July 2017 entered into between Gold Pleasure as landlord and Beauty Royal as tenant in relation to the tenancy of the Property A for the period from 1 August 2017 to 31 July 2020 (both days inclusive), details of which were set out in the joint announcement of Emperor International and Emperor W&J dated 27 July 2017
“Previous Tenancy Agreement B”	a tenancy agreement dated 23 December 2014 (as supplemented by the supplemental tenancy agreements dated 31 August 2015 and 27 May 2016) entered into between the Landlords and Beauty Royal as tenant in relation to the tenancy of the Property B, details of which were set out in the joint announcements of Emperor International and Emperor W&J dated 23 December 2014, 31 August 2015 and 27 May 2016
“Previous Tenancy Agreements”	Previous Tenancy Agreement A and Previous Tenancy Agreement B
“Property A”	All of that G/F, 1/F, 2/F, 3/F, 4/F (with a total gross floor area of 6,564 sq. ft.) and roof together with a right of use a wall-mount advertising signage on the external wall of 4-8 Canton Road, Kowloon, Hong Kong
“Property B”	All of that G/F and 1/F, Units A & B on 3/F, Portion A of Unit A on 4/F (with a total gross floor area of 6,261 sq. ft.) and roof together with a right to use the four outdoor advertising signs on the external walls to the building of 4-8 Canton Road, Kowloon, Hong Kong
“Signage”	projected signage of 4-8 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong with approximate area of 24.72 sq. m.
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“sq. ft.”	square feet
“sq. m.”	square metres
“Total Treasure”	Total Treasure Investment Limited, a company incorporated in Hong Kong with Limited liability 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, 27 February 2018

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. Chan Sim Ling, Irene
Mr. Liu Hing Hung
Ms. Chan Wiling, Yvonne