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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 29 April 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.

The board of directors of Emperor International and Emperor W&J announce that on 29 April 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.

SUB-LICENCE AGREEMENT DATED 29 APRIL 2016

Licensor:	Gold Pleasure
Licensee:	Beauty Royal
Signage:	Projected signage of 4-8 Canton Road, Tsimshatsui, Kowloon, Hong Kong with approximate area of 76.4 sq. m.
Usage:	for outdoor advertising

* for identification propose only

Term: 4 months (May, August, October and December of 2016)

Licence Fee: May – HK\$330,000.00
August – HK\$330,000.00
October – HK\$500,000.00
December– HK\$500,000.00
Inclusive of management fees and rates, but exclusive of electricity charges and other outgoing charges

Deposit: HK\$1,500,000.00 which is equivalent to three months' highest licence fee

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

Aggregate Annual Cap of Emperor International

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

	2017 <i>HK\$</i>	2018 <i>HK\$</i>
Sub-Licence Agreement	1,660,000	-
Previous Tenancy Agreement	46,165,000	34,996,000
Total	<u>47,825,000</u>	<u>34,996,000</u>

Aggregate Annual Cap of Emperor W&J

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

	2016 <i>HK\$</i>	2017 <i>HK\$</i>	2018 <i>HK\$</i>
Sub-Licence Agreement	1,660,000	-	-
Previous Sub-Licence Agreement	730,000	-	-
Previous Tenancy Agreement	46,165,000	46,165,000	373,000
Total	<u>48,555,000</u>	<u>46,165,000</u>	<u>373,000</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 license fee income. Gold Pleasure is also the owner of the Previous 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 Previous 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 rental 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 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 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) 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 and the Previous Tenancy Agreement for each of 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, the Previous Sub-Licence Agreement and the Previous Tenancy Agreement for each of the years ending 31 December 2016, 2017 and 2018 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
“Previous 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.
“Previous Tenancy Agreement”	a tenancy agreement dated 23 December 2014 as supplemented by the supplemental tenancy agreement dated 31 August 2015, both were entered into between Gold Pleasure, Total Treasure Investment Limited, Gold Cheer Corporation Limited and Happy Rain Limited as landlords and Beauty Royal as tenant in relation to the tenancy of the Previous Property for the period from 4 January 2015 to 3 January 2018 (both days inclusive), details of which were set out in the joint announcements of Emperor International and Emperor W&J dated 23 December 2014 and 31 August 2015

“Gold Pleasure”	Gold Pleasure Investment 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 30 December 2015 entered into between Gold Pleasure as licensor and Beauty Royal as licensee in relation to the sub-licensing of the Signage for January and February 2016, details of which were set out in the joint announcement of Emperor International and Emperor W&J dated 30 December 2015
“Signage”	projected signage of 4-8 Canton Road, Tsimshatsui, 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 29 April 2016 entered into between Gold Pleasure as licensor and Beauty Royal as licensee in relation to the sub-licensing of the Signage
“%”	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, 29 April 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
Mr. Chan Hon Piu
Ms. Lai Ka Fung, May