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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Emperor International Holdings Limited**, you should at once hand this circular with the accompanying form of proxy to the purchaser(s) or transferee(s) or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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**英皇國際集團有限公司**  
**Emperor International Holdings Limited**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 163)**

**(I) RENEWAL OF CONTINUING CONNECTED TRANSACTIONS –  
2024 MASTER LEASING AGREEMENTS  
AND  
(II) NOTICE OF ANNUAL GENERAL MEETING**

**Independent Financial Adviser to  
the Independent Board Committee and the Independent Shareholders**



**Capital 9 Limited**

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Capitalised terms used in this cover page shall have the same meanings as those defined in the section headed “Definitions” of this circular.

A letter from the Board is set out from pages 7 to 16 of this circular and a letter from the Independent Board Committee to the Independent Shareholders is set out from pages 17 to 18 of this circular. A letter from Capital 9, the Independent Financial Adviser, containing its advice to the Independent Board Committee and Independent Shareholders in relation to the 2024 MLAs and Aggregate Tenancy Annual Caps are set out from pages 19 to 33 of this circular.

A notice convening the AGM to be held at 22nd Floor, Emperor Group Centre, 288 Hennessy Road, Wanchai, Hong Kong on Tuesday, 19 September 2023 at 11:15 a.m. or any adjournment thereof is set out from pages AGM-1 to AGM-7 of this circular.

Please complete and return the accompanying form of proxy to the Company’s Hong Kong Branch Share Registrar, Tricor Secretaries Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible, and in any event not less than 48 hours before the time of the AGM (by Sunday, 17 September 2023 before 11:15 a.m.) or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or adjournment thereof (as the case may be) should you subsequently so wish and in such event, the form of proxy previously submitted shall be deemed to be revoked.

23 August 2023

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## DEFINITIONS

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*In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:*

“2020 ECG MLA”	the master leasing agreement dated 3 December 2020 entered into between the Company and Emperor Capital
“2020 ECUG MLA”	the master leasing agreement dated 3 December 2020 entered into between the Company and Emperor Culture
“2020 EWJ (Hotel) MLA”	the master leasing agreement dated 3 December 2020 entered into between Emperor E Hotel and Emperor W&J
“2020 EWJ MLA”	the master leasing agreement dated 3 December 2020 entered into between the Company and Emperor W&J
“2020 MLAs”	2020 ECG MLA, 2020 ECUG MLA, 2020 EWJ (Hotel) MLA, 2020 EWJ MLA, 2020 Non-Listed Group MLA and 2020 Ulferts MLA
“2020 Non-Listed Group MLA”	the master leasing agreement dated 3 December 2020 entered into between the Company and Non-Listed Group
“2020 Ulferts MLA”	the master leasing agreement dated 3 December 2020 entered into between the Company and Ulferts
“2024 AY Holdings MLA”	the master leasing agreement dated 23 March 2023 entered into between the Company and AY Holdings
“2024 ECG MLA”	the master leasing agreement dated 23 March 2023 entered into between the Company and Emperor Capital
“2024 ECUG MLA”	the master leasing agreement dated 23 March 2023 entered into between the Company and Emperor Culture
“2024 EWJ (Hotel) MLA”	the master leasing agreement dated 23 March 2023 entered into between Emperor E Hotel and Emperor W&J
“2024 EWJ MLA”	the master leasing agreement dated 23 March 2023 entered into between the Company and Emperor W&J
“2024 MLAs”	2024 ECG MLA, 2024 ECUG MLA, 2024 EWJ (Hotel) MLA, 2024 EWJ MLA, 2024 AY Holdings MLA and 2024 Ulferts MLA, and “2024 MLA” shall mean any one of them

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## DEFINITIONS

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“2024 Ulferts MLA”	the master leasing agreement dated 23 March 2023 entered into between the Company and Ulferts
“Aggregate Tenancy Annual Cap(s)”	the maximum amount of rental / licence fee receivable by the Group under each of the 2024 MLAs for each of the 3 financial years ending 31 March 2025, 2026 and 2027
“AGM”	annual general meeting of the Company to be held at 22nd Floor, Emperor Group Centre, 288 Hennessy Road, Wanchai, Hong Kong on Tuesday, 19 September 2023 at 11:15 a.m., or where the context so admits, any adjournment thereof
“associates”	has the meaning ascribed to it in the Listing Rules
“AY Holdings”	Albert Yeung Holdings Limited, a company incorporated in the British Virgin Islands, being the agent acting on behalf of relevant members of Emperor Group, other than the Group, Emperor Capital Group, Emperor Culture Group, Emperor W&J Group and Ulferts Group (collectively “AY Group”)
“Board” or “Directors”	the board of directors of the Company
“close associate”	has the meaning ascribed to it in the Listing Rules
“Company”	Emperor International Holdings Limited, an exempted company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the meanings ascribed to it in the Listing Rules
“Definitive Leasing Agreement(s)”	definitive agreement(s) which has / have been entered and may be entered into between any member(s) of the Group and any member(s) of Emperor Group in relation to any of the Tenancy Transactions (setting out the terms of the tenancy, including the parties, detailed description of the properties, usage, duration, rental and specific terms such as rent free period, early termination, deposits, fees and charges) subsisting as at the Latest Practicable Date and at any time during the respective terms of 2020 MLAs and 2024 MLAs (as the case may be)

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## DEFINITIONS

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“Disposal Circular”	circular of the Company to the Shareholders dated even date of this circular in relation to (I) very substantial disposal and connected transactions – disposal of entire equity interest in Joybridge Services Limited and (II) notice of AGM setting out details, <i>inter alia</i> , of resolution no. 14 of the AGM
“Dr. Yeung”	Dr. Yeung Sau Shing, Albert
“Emperor Capital”	Emperor Capital Group Limited, an exempted company incorporated in Bermuda with limited liability, the subsidiaries of which are principally engaged in the provision of a wide range of financial services, including (i) commercial and personal lending as well as margin and initial public offering financing; (ii) brokerage services, wealth management and asset management; (iii) placing and underwriting services for listed issuers; and (iv) corporate finance advisory services, whose issued shares are listed on the Main Board of the Stock Exchange (Stock Code: 717)
“Emperor Capital Group”	Emperor Capital and its subsidiaries from time to time
“Emperor Culture”	Emperor Culture Group Limited, an exempted company incorporated in Bermuda with limited liability, the subsidiaries of which are principally engaged in entertainment, media and cultural development businesses, which include cinema operation and investments in films, whose issued shares are listed on the Main Board of the Stock Exchange (Stock Code: 491)
“Emperor Culture Group”	Emperor Culture and its subsidiaries from time to time
“Emperor E Hotel”	Emperor Entertainment Hotel Limited, an exempted company incorporated in Bermuda with limited liability, the subsidiaries of which are principally engaged in provision of hospitality and entertainment services in Hong Kong and Macau, whose issued shares are listed on the Main Board of the Stock Exchange (Stock Code: 296), which is indirectly owned as to approximately 71.63% by the Company
“Emperor E Hotel Group”	Emperor E Hotel and its subsidiaries from time to time

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## DEFINITIONS

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“Emperor Group”	all companies (including their respective associates) directly or indirectly controlled by various private discretionary trusts set up by Dr. Yeung (including but not limited to Emperor Capital Group, Emperor Culture Group, Emperor W&J Group and Ulferts Group and Non-Listed Group) other than the Group; “member of Emperor Group” shall be construed accordingly
“Emperor W&J”	Emperor Watch & Jewellery Limited, a company incorporated in Hong Kong with limited liability, the subsidiaries of which are principally engaged in the sales of European-made internationally renowned watches, together with the jewellery products under its own brand, “ <i>Emperor Jewellery</i> ”, whose issued shares are listed on the Main Board of the Stock Exchange (Stock Code: 887)
“Emperor W&J Group”	Emperor W&J and its subsidiaries from time to time
“Existing Aggregate Tenancy Annual Caps”	the maximum amount of rental / licence fee to be received / receivable by the Group under each of the 2020 MLAs for each of the respective periods during the term under the 2020 MLAs
“Group”	the Company and its subsidiaries from time to time, including Emperor E Hotel Group
“HK\$”	Hong Kong dollar, the lawful currency in Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	an independent committee of the Board, comprising all of the independent non-executive Directors, established to advise the Independent Shareholders in respect of the Aggregate Tenancy Annual Caps and the transactions contemplated under the 2024 MLAs
“Independent Financial Adviser” or “Capital 9”	Capital 9 Limited, a licensed corporation carrying out type 6 (advising on corporate finance) regulated activity under the SFO, being the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders in respect of the 2024 MLAs, the transactions contemplated thereunder and the Aggregate Tenancy Annual Caps
“Independent Shareholder(s)”	Shareholder(s) who do not have material interests in the transactions contemplated under the 2024 MLAs

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## DEFINITIONS

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“Latest Practicable Date”	16 August 2023, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listed Members of Emperor Group”	Emperor W&J Group, Emperor Culture Group, Emperor Capital Group and Ulferts Group
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mandate Circular”	circular of the Company to the Shareholders dated even date of this circular in relation to (1) notice of AGM and (2) proposals for (A) re-election of directors (B) general mandates to issue new shares and buy back shares and (C) adoption of new share option scheme
“Non-Listed Group”	(1) New Media Group Investment Limited (dissolved); (2) Albert Yeung Entertainment Holdings Limited; (3) Albert Yeung Financial Holdings Limited; and (4) Albert Yeung Investments Holdings Limited (these companies no. (1) to (4) and their respective subsidiaries (excluding Emperor Culture, Ulferts and their respective subsidiaries) principally engaged in book and magazine publishing, digital business, production and distribution of music publishing, talent management and concert production, production, sales and distribution of motion pictures, and copyright holding and licensing business; provision of foreign exchange and bullion trading services; and property and miscellaneous investments) and (5) Albert Yeung Management Company Limited representing Dr. Yeung and his associates
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“sq. ft.”	square feet

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## DEFINITIONS

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“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
“Tenancy Transactions”	all existing and future tenancy / licence transaction(s) between members of the Group as landlords and relevant members of Emperor Group as tenants regarding the leasing of properties as contemplated under the 2020 MLAs or 2024 MLAs (as the case may be) and the Definitive Leasing Agreements
“Ulferts”	Ulferts International Limited, a company incorporated in Hong Kong with limited liability, the subsidiaries of which are principally engaged in retailing of high quality home furniture mainly imported from Europe, whose issued shares are listed on the Main Board of the Stock Exchange (Stock Code: 1711)
“Ulferts Group”	Ulferts and its subsidiaries from time to time
“%”	per cent.

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## LETTER FROM THE BOARD

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# 英皇國際集團有限公司 Emperor International Holdings Limited

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 163)**

*Non-executive Director:*

Ms. Luk Siu Man, Semon (*Chairperson*)

*Executive Directors:*

Mr. Yeung Ching Loong, Alexander (*Vice Chairman*)

Mr. Wong Chi Fai (*Managing Director*)

Ms. Fan Man Seung, Vanessa (*Managing Director*)

Mr. Cheung Ping Keung

*Independent Non-executive Directors:*

Mr. Chan Hon Piu

Mr. Chu Kar Wing

Mr. Poon Yan Wai

*Registered office:*

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

*Head office and principal place of  
business in Hong Kong:*

28th Floor

Emperor Group Centre

288 Hennessy Road

Wanchai

Hong Kong

23 August 2023

*To the Shareholders*

Dear Sir/Madam,

**(I) RENEWAL OF CONTINUING CONNECTED TRANSACTIONS –  
2024 MASTER LEASING AGREEMENTS  
AND  
(II) NOTICE OF ANNUAL GENERAL MEETING**

### INTRODUCTION

Reference is made to the announcement of the Company dated 14 July 2023 whereby the Board announced that the Company entered into the 2024 MLAs with the Listed Members of Emperor Group and AY Holdings, which set out a framework of the terms governing the Tenancy Transactions between the Group and such members. In addition, Emperor E Hotel and Emperor W&J entered into 2024 EWJ (Hotel) MLA which set out a framework of the terms governing the Tenancy Transactions between Emperor E Hotel Group and Emperor W&J Group.

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## LETTER FROM THE BOARD

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The purpose of this circular is to provide you with (i) further information on the 2024 MLAs and the Aggregate Tenancy Annual Caps; (ii) a letter of recommendation from the Independent Board Committee; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; (iv) other information as required under the Listing Rules; and (v) a notice of AGM to be convened for the purpose of considering and, if think fit, approving, the Aggregate Tenancy Annual Caps.

### 2024 MLAs DATED 23 MARCH 2023

With the upcoming expiration of the 2020 MLAs, while the Group intends to continue to lease properties (including but not limited to offices and retail shops) to members of Emperor Group, the Company entered into the 2024 MLAs with members of Emperor Group on 23 March 2023 to govern arrangements for the Tenancy Transactions between the respective parties for a successive term of 3 years from 1 April 2024.

	<b>2024 MLAs</b>	<b>Parties</b>	<b>Scope</b>
(1)	2024 EWJ MLA	the Company and Emperor W&J	Governing the Tenancy Transactions between the Group and Emperor W&J Group
(2)	2024 ECG MLA	the Company and Emperor Capital	Governing the Tenancy Transactions between the Group and Emperor Capital Group
(3)	2024 ECUG MLA	the Company and Emperor Culture	Governing the Tenancy Transactions between the Group and Emperor Culture Group
(4)	2024 Ulferts MLA	the Company and Ulferts	Governing the Tenancy Transactions between the Group and Ulferts Group
(5)	2024 EWJ (Hotel) MLA	Emperor E Hotel and Emperor W&J	Governing the Tenancy Transactions between the Emperor E Hotel Group and Emperor W&J Group
(6)	2024 AY Holdings MLA	the Company and AY Holdings	Governing the Tenancy Transactions between the Group and AY Group

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## LETTER FROM THE BOARD

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### **Term**

1 April 2024 – 31 March 2027

Subject to compliance with the then relevant requirements of the Listing Rules, or any waiver obtained from strict compliance with such requirements, upon expiration of the initial term or subsequent renewal term, the 2024 MLAs shall be automatically renewed for a successive period of 3 years thereafter (or such other period permitted under the Listing Rules), unless terminated earlier in accordance with the 2024 MLAs.

### **Key terms and conditions**

The 2024 MLAs mainly serve to amend certain definitive terms in light of the changes in the Listing Rules and to state the new term of 3 years from 1 April 2024.

Relevant members of the Group and the relevant members of Emperor Group may from time to time enter into the Definitive Leasing Agreement(s) in relation to any Tenancy Transactions upon, and subject to, the terms and conditions in compliance with the 2024 MLAs, provides that:

- (a) all the Tenancy Transactions have been and shall be conducted in the usual and ordinary course of business of the Group and the respective members of Emperor Group and are in the interest of their respective shareholders as a whole;
- (b) the terms of each Definitive Leasing Agreement have been and shall be on normal commercial terms or on terms which are no less favorable than terms offered by independent third parties;
- (c) the terms of the Tenancy Transactions have been and shall be arrived at after arm's length negotiation and the amount of rental thereunder the respective Definitive Leasing Agreements shall be determined based on the condition of the properties and with reference to the then prevailing market rents on premises comparable in location, area and permitted use;
- (d) all the Tenancy Transactions have been and shall be concluded in compliance with all applicable provisions of the Listing Rules, the applicable laws, 2024 MLAs and relevant Definitive Leasing Agreements; and
- (e) relevant members of Emperor Group have / shall have the option to consider third party landlords and premises other than the properties of the Group.

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## LETTER FROM THE BOARD

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### Historical transactions amounts

Set out below are the historical amounts of rental / licence fee received under the Tenancy Transactions between the Group and the relevant members of the Emperor Group for the period of 2020 MLAs:

	<b>For the 12 months ended 31 March</b>		
	<b>2021</b>	<b>2022</b>	<b>2023</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Emperor W&J Group <sup>(Note)</sup>	59,496	68,920	61,267
Emperor Capital Group	10,074	9,812	9,774
Emperor Culture Group	12,898	12,267	10,694
Ulferts Group	7,199	6,943	7,088
Non-Listed Group	<u>28,623</u>	<u>21,906</u>	<u>21,805</u>
<b>Total</b>	<u><u>118,290</u></u>	<u><u>119,848</u></u>	<u><u>110,628</u></u>

*Note:* Aggregated amount of the Tenancy Transactions between the Group (including the Emperor E Hotel Group) and Emperor W&J Group.

The Existing Aggregate Tenancy Annual Caps under the 2020 MLAs are HK\$220 million, HK\$240 million and HK\$260 million for the 12 months ended / ending 31 March 2022, 2023 and 2024 respectively.

### Aggregate Tenancy Annual Caps

Set out below are the Aggregate Tenancy Annual Caps under the 2024 MLAs proposed by the Board for each of 3 years ending 31 March 2025, 2026 and 2027:

	<b>For the 12 months ended 31 March</b>		
	<b>2025</b>	<b>2026</b>	<b>2027</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
2024 EWJ MLA and			
2024 EWJ (Hotel) MLA	100,000	110,000	120,000
2024 ECG MLA	15,000	15,000	15,000
2024 ECUG MLA	30,000	30,000	30,000
2024 Ulferts MLA	12,000	12,000	12,000
2024 AY Holdings MLA	<u>43,000</u>	<u>43,000</u>	<u>43,000</u>
<b>Total</b>	<u><u>200,000</u></u>	<u><u>210,000</u></u>	<u><u>220,000</u></u>

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## LETTER FROM THE BOARD

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The respective Aggregate Tenancy Annual Caps aggregate all Tenancy Transactions entered / to be entered with the relevant members of Emperor Group regardless of the location and usage of the properties, and has been determined after taking into account:

- (i) the historical transaction amounts of rental, management fee (if any) and charges received by the Group from members of Emperor Group under all Tenancy Transactions;
- (ii) the number of existing Tenancy Transactions entered into between the Group and the respective members of Emperor Group as at 31 May 2023:

Emperor W&J Group	19
Emperor Capital Group	9
Emperor Culture Group	6
Ulferts Group	3
AY Group	<u>21</u>
Total	<u><u>58</u></u>

As at the Latest Practicable Date, members of Emperor Group are leasing the following properties of the Group located in various areas in Hong Kong, Mainland China and Macau, mainly:

### **Hong Kong**

#### **Locations**

- (1) Emperor Group Centre, No. 288 Hennessy Road, Wan Chai
- (2) Nos. 50-52, 54-56 Russell Street, Causeway Bay
- (3) Emperor Commercial Centre, Nos. 39-41 Des Voeux Road, Central
- (4) Harilela Mansion, No.81 Nathan Road, Kowloon
- (5) The Cinema Space, New Town Mansion, No. 2 Tuen Lee Street, Tuen Mun, New Territories
- (6) East Ocean Court, No.525 Shanghai Street, Kowloon

### **Macau and Mainland China**

#### **Locations**

- (1) Emperor Nam Van Centre, Nos. 71-75, Avenida do Infante, D., Henrique and Nos. 514-540, Avenida da Praia Grande, Macau
- (2) Grand Emperor Hotel, 288 Avenida Commercial De, Macau
- (3) Emperor Group Centre (Beijing), D12 Jianwai Dajie, Chaoyang District, Beijing, PRC

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## LETTER FROM THE BOARD

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The earliest expiry date of the leases will be in August 2023 and the latest one will be in May 2027. The monthly licence fee / rental<sup>(Note)</sup> (excluding management fees and charges) ranges from HK\$1,000 to approximately HK\$1.1 million and size ranges from LED display to an entire building block with gross floor area of approximately 54,000 sq. ft. The duration of the leases are usually 2 to 3 years, with exceptions such as cinema complex which requires a longer duration of up to 10 years with an option to renew granted to the tenant for another 5 years.

- (iii) assuming all the above tenancies will be renewed upon expiry and taking into account the possible oncoming adjustment in rental rates;
- (iv) the number of Tenancy Transactions that are expected to be entered into by the Group under the 2024 MLAs are in line with the business development of each operating unit of Emperor Group in the forthcoming years;
- (v) assuming the rent will be gradually recovered to pre-pandemic level during the terms of 2024 MLAs;
- (vi) there will be potential acquisition of properties by the Group which can be available for leasing to members of Emperor Group in the future; and
- (vii) the prevailing market rents of the properties as compared with similar properties in the vicinity.

*Note:* for illustrative purpose of this circular only, (i) certain amounts of the Aggregate Tenancy Annual Caps and (ii) the monthly rental of certain existing Tenancy Transactions are converted from RMB into HK\$ at the rate of RMB1.00 = HK\$1.09.

Based on the above, the Board is of the view that the proposed Aggregate Tenancy Annual Caps are fair and reasonable and in the interest of the Company and its Shareholders as a whole.

### INTERNAL CONTROL PROCEDURES TO ASSESS TENANCY TRANSACTIONS

The Group will follow a series of procedures in selecting premises and determining the rentals and the terms of the tenancies. When the management of the Group plans to lease out vacant premises or renew existing tenancies, the operation team of the Group may liaise with potential tenants and/or existing tenants by providing a rent quote to them or soliciting proposed offers from them. The rent quote offered by the Group is decided based on the valuation of the subject premises (as appropriate), market rentals of similar properties within the proximity, condition of the subject premises and any other factor as deemed to be applicable by the Group. In case of soliciting proposed offers, the Group will assess with reference to market rentals of similar properties and/or valuation of the subject premises (as appropriate) and compare the proposed offers from potential tenants. The Group will also arrange for site visits as may be requested by the potential tenants. When the terms of Tenancy Transactions are basically agreed on after arm's length negotiation, the management of the Group will review the terms of Tenancy Transactions including rental and grant approval before execution of the Tenancy Transactions.

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## LETTER FROM THE BOARD

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With the above control procedures, the Directors consider that the Tenancy Transactions are conducted on normal commercial terms and in the interest of the Group and the Shareholders as a whole.

In addition, to ensure that the Definitive Leasing Agreement(s) will be entered into in accordance with the general terms of the 2024 MLAs and the requirements of Chapter 14A of the Listing Rules, (i) the management of the Company will assess each of the Definitive Leasing Agreements with the aforementioned procedures; (ii) the relevant departments of the Group will record the transaction amount(s) to ensure that the Aggregate Tenancy Annual Caps will not be exceeded; (iii) the Group will engage external auditor to conduct an annual review of the Tenancy Transactions to opine on whether the Aggregate Tenancy Annual Caps have been exceeded; and (iv) the independent non-executive Directors will review the Tenancy Transactions contemplated under the 2024 MLAs annually.

Should there be any future Definitive Leasing Agreement with lease term which exceed three years or may exceed three years in case of exercise of renewal options and subject to announcement/circular and/or shareholders' approval requirements according to applicable percentage ratios (as defined in the Listing Rules), the Company will, when entering into such Definitive Leasing Agreement, (a) in compliance with rule 14A.52 of the Listing Rules, appoint an independent financial adviser to explain why such agreement require a longer period of lease term and to confirm that it is normal business practice for agreement of this type to be of such duration; and (b) publish circular to disclose the opinion of the independent financial adviser according to the Listing Rules.

Accordingly, the Board is of the view that (i) the Tenancy Transactions will be conducted on normal commercial terms and will not be prejudicial to the interests of the Company and the Shareholders; and (ii) the above internal control procedures are adequate to safeguard the interest of the Company and the Shareholders under the Tenancy Transactions.

### **REASONS FOR AND BENEFITS FOR THE 2024 MLAs**

The Company is an investment holding company and its subsidiaries are principally engaged in property investment, property development and hospitality in the Greater China and overseas. These properties are held by indirect wholly-owned subsidiaries of the Company as investment properties for rental / licence fee income.

The Group currently leases properties to relevant members of Emperor Group pursuant to the 2020 MLAs, and shall continue to lease out the properties in the future. With the upcoming expiration of the 2020 MLAs, entering into the 2024 MLAs will continue to govern the Tenancy Transactions between the Group and relevant members of Emperor Group, and also serve to streamline the relevant process of reporting, announcement and Shareholders' approval, if necessary, whenever there is new tenancy or renewal of the Tenancy Transactions between the Group and relevant counter-parties. Besides, the obtaining of the Aggregate Tenancy Annual Caps will help to reduce the relevant administrative burden and costs on the Company in

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## LETTER FROM THE BOARD

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compliance with the requirements under the Listing Rules. The Definitive Leasing Agreements will be agreed on an arm's length basis, on normal commercial terms or on terms no less favorable than those terms offered by independent third parties.

The Directors (excluding the independent non-executive Directors who have separately provided their views in the Letter from the Independent Board Committee of this circular after considering the opinion of the Independent Financial Adviser) consider that the 2024 MLAs have been conducted in the ordinary and usual course of business of the Group and negotiated on an arm's length basis, on normal commercial terms, fair and reasonable, and in the interests of the Group and the Shareholders as a whole, and that the Aggregate Tenancy Annual Caps are fair and reasonable and in the interests of the Group and the Shareholders as a whole.

### LISTING RULES IMPLICATIONS

As at the Latest Practicable Date, the Company and the counter-parties of the 2024 MLAs, namely Emperor W&J, Emperor Capital, Emperor Culture, Ulferts and AY Holdings, are indirectly controlled by the respective private discretionary trusts which were all set up by Dr. Yeung, who is the deemed substantial shareholder of the Company. As such, under Chapter 14A of the Listing Rules, each of such counter-parties is a deemed connected person of the Company and accordingly, the transactions contemplated under the 2024 MLAs constitute continuing connected transactions of the Company.

Ms. Luk Siu Man, Semon, the Chairperson of the Board and a non-executive Director, and Mr. Yeung Ching Loong, Alexander, the Vice Chairman of the Board and an executive Director, did abstain from voting on the relevant Board resolutions of the Company in view of their deemed interests in the transactions by virtue of being an associate of the eligible beneficiaries of the aforesaid private discretionary trusts and being one of the eligible beneficiaries of those trusts respectively.

Mr. Wong Chi Fai, Ms. Fan Man Seung, Vanessa and Mr. Cheung Ping Keung, being the executive Directors, did abstain from voting on the relevant Board resolutions of the Company as they also take up a management role in the relevant counter-parties of the 2024 MLAs.

Save for the aforesaid, no other Director has a material interest or conflict of role in the transactions and has abstained from voting.

As the applicable percentage ratios (as defined in the Listing Rules) calculated with reference to the Aggregate Tenancy Annual Caps are more than 5% and exceed HK\$10,000,000, the Aggregate Tenancy Annual Caps are subject to the announcement, reporting, annual review requirements and Independent Shareholders' approval under Chapter 14A of the Listing Rules.

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## LETTER FROM THE BOARD

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### INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Company has established an Independent Board Committee comprising Mr. Chan Hon Piu, Mr. Chu Kar Wing and Mr. Poon Yan Wai (all of whom are independent non-executive Directors) to advise the Independent Shareholders as to (i) whether the terms of the 2024 MLAs and the Aggregate Tenancy Annual Caps are fair and reasonable; (ii) whether the transactions are on normal commercial terms or better and in the ordinary and usual course of business of the Group; (iii) whether the transactions are in the interests of the Company and the Shareholders as a whole; and (iv) how to vote on the proposed resolutions regarding the 2024 MLAs. Capital 9 has been appointed as the Independent Financial Adviser by the Independent Board Committee to advise the Independent Board Committee and the Independent Shareholders in the same regard.

### AGM

The Notice of AGM is set out from pages AGM-1 to AGM-7 of this circular. Resolutions to be proposed at the AGM include, *inter alia*, (A) re-election of Directors; (B) general mandates to issue new Shares and buy back Shares; (C) adoption of new share option scheme of the Company; (D) approving the Aggregate Tenancy Annual Caps; and (E) approving the Sales and Purchase Agreement (as defined in the Disposal Circular) and the transactions contemplated thereunder.

As at the Latest Practicable Date, the counter-parties are all indirectly controlled by the respective private discretionary trusts which were all set up by Dr. Yeung, who is the deemed substantial Shareholder. Accordingly, Dr. Yeung and his associates will abstain from voting on the resolutions nos. 9 to 13 in relation to Aggregate Tenancy Annual Caps. Please refer to details in relation to resolution nos. 1 to 8 in relation to the above items (A) to (C) in the Mandate Circular and resolution no. 14 in relation to above item (E) in the Disposal Circular.

In accordance with Rule 13.39(4) of the Listing Rules, all votes of the Shareholders on the proposed resolutions at the AGM shall be taken by poll. An announcement will be made by the Company following the conclusion of the AGM to inform Shareholders of the results of the AGM.

A form of proxy for use at the AGM is enclosed with this circular. Whether or not you intend to attend and vote at the AGM in person, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company's Hong Kong Branch Share Registrar, Tricor Secretaries Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible, and in any event not less than 48 hours before the time of the AGM or any adjourned meeting. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjourned meeting (as the case may be) should you subsequently so wish and in such event, the form of proxy will be deemed to be revoked.

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## LETTER FROM THE BOARD

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In order to qualify for the right to attend and vote at the above meeting, all relevant share certificates and properly completed transfer forms must be lodged for registration with the Company's Hong Kong Branch Share Registrar, Tricor Secretaries Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not later than 4:30 p.m. on Wednesday, 13 September 2023.

**No refreshments or drinks will be served and no corporate gifts will be distributed.**

The Company would like to encourage Shareholders to exercise their rights to vote at the AGM by appointing the Chairperson of the AGM as their proxy to represent them by returning their forms of proxy by the time specified herein. Physical attendance at the AGM by Shareholders is not necessary for the purpose of exercising their voting rights.

### RECOMMENDATION

The Board is of the view that the terms of the 2024 MLAs and the Aggregate Tenancy Annual Caps have been negotiated on an arm's length basis, on normal commercial terms, fair and reasonable, and in the interests of the Group and the Shareholders as a whole. Accordingly, the Board recommends the Independent Shareholders to vote in favour of all the relevant resolutions to be proposed at the AGM. Before deciding how to vote on the said resolutions at the AGM, you are advised to read (i) the Letter from the Independent Board Committee from pages 17 to 18 of this circular; and (ii) the Letter from Independent Financial Adviser from pages 19 to 33 of this circular which contains its advice to the Independent Board Committee and Independent Shareholders in relation to the 2024 MLAs and the Aggregate Tenancy Annual Caps as well as the principal factors and reasons considered by it in arriving its opinions.

### ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the Appendix to this circular.

By order of the Board  
**Emperor International Holdings Limited**  
**Luk Siu Man, Semon**  
*Chairperson*



英皇國際集團有限公司  
**Emperor International Holdings Limited**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 163)**

23 August 2023

*To the Independent Shareholders*

Dear Sir/Madam,

**RENEWAL OF CONTINUING CONNECTED TRANSACTIONS –  
2024 MASTER LEASING AGREEMENTS**

We refer to the circular of the Company to the Shareholders dated 23 August 2023 in relation to the 2024 MLAs (the “**Circular**”), of which this letter forms part. Unless the context requires otherwise, capitalised terms used in this letter will have the same meanings as those defined in the Circular.

We, Independent Board Committee, have been appointed by the Board to advise you on the terms of the 2024 MLAs and the Aggregate Tenancy Annual Caps. Capital 9 has been appointed to advise you and us in this regard. Details of its advice, together with the principal factors and reasons it has taken into consideration in giving its advice, are set out from pages 19 to 33 of the Circular. Your attention is also drawn to the “**Letter from the Board**” and the “**Letter from Capital 9**” in the Circular and the additional information set out in the Appendix thereto.

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## LETTER FROM THE INDEPENDENT BOARD COMMITTEE

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Having considered the advice given by Capital 9, in particular the principal factors, reasons and recommendation as set out in its letter, we consider that (i) the entering into the 2024 MLAs and the Aggregate Tenancy Annual Caps are in ordinary and usual course of business of the Group and are in the interests of the Company and the Shareholders as a whole; and (ii) the terms and conditions of the 2024 MLAs and the Aggregate Tenancy Annual Caps are on normal commercial terms and are fair and reasonable so far as the Company and Independent Shareholders are concerned. Accordingly, we recommend you to vote in favour of the relevant ordinary resolutions to be proposed at the AGM to approve the Aggregate Tenancy Annual Caps.

Yours faithfully,  
For and on behalf of the  
**Independent Board Committee**

**Chan Hon Piu**

**Chu Kar Wing**  
*Independent Non-executive Directors*

**Poon Yan Wai**

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## LETTER FROM CAPITAL 9

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*The following is the text of a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the 2024 MLAs, the transactions contemplated thereunder and the Aggregate Tenancy Annual Caps for the purpose of incorporation into this circular.*



**Capital 9 Limited**

Unit 1219, 12/F,  
Bank of America Tower,  
12 Harcourt Road,  
Central,  
Hong Kong

23 August 2023

*To the Independent Board Committee and the Independent Shareholders of  
Emperor International Holdings Limited*

Dear Sir/Madam,

### **RENEWAL OF CONTINUING CONNECTED TRANSACTIONS – 2024 MASTER LEASING AGREEMENTS**

#### **INTRODUCTION**

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the 2024 MLAs and the Aggregate Tenancy Annual Caps, particulars of which are set out in the section headed “Letter from the Board” (“**Letter from the Board**”) contained in the circular of the Company dated 23 August 2023 (“**Circular**”), of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as those defined in the Circular unless the context requires otherwise.

Reference is made to the announcement of the Company dated 14 July 2023 in relation to the entering into of the 2024 MLAs by the Company with the members of Emperor Group, and entering into of the 2024 EWJ (Hotel) MLA between Emperor E Hotel and Emperor W&J. With the upcoming expiration of the 2020 MLAs, while the Group intends to continue to lease properties (including but not limited to offices and retail shops) to members of Emperor Group, the Company entered into the 2024 MLAs with members of Emperor Group on 23 March 2023 to govern arrangements for the Tenancy Transactions between the respective parties for a successive term of 3 years from 1 April 2024.

The Company and the counter-parties of the 2024 MLAs, namely Emperor W&J, Emperor Capital, Emperor Culture, Ulferts and AY Holdings, are indirectly controlled by the respective private discretionary trusts which were all set up by Dr. Yeung, who is the deemed substantial shareholder of the Company. As such, under Chapter 14A of the Listing Rules, each of such counter-parties is a deemed connected person of the Company and accordingly, the transactions contemplated under the 2024 MLAs constitute continuing connected transactions of the

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## LETTER FROM CAPITAL 9

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Company. Dr. Yeung and his associates have indirect interest in approximately 74.71% of the issued shares of the Company and will abstain from voting on the resolutions relating to the 2024 MLAs and the Aggregate Tenancy Annual Caps at the AGM.

As the applicable percentage ratios (as defined in the Listing Rules) calculated with reference to the Aggregate Tenancy Annual Caps are more than 5% and exceed HK\$10,000,000, the Aggregate Tenancy Annual Caps are subject to the announcement, reporting, annual review requirements and Independent Shareholders' approval under Chapter 14A of the Listing Rules.

The Independent Board Committee has been established to advise the Independent Shareholders as to (i) whether the terms of the 2024 MLAs and the Aggregate Tenancy Annual Caps are fair and reasonable; (ii) whether the transactions under the 2024 MLAs are on normal commercial terms or better and in the ordinary and usual course of business of the Group; (iii) whether the transactions are in the interests of the Company and the Shareholders as a whole; and (iv) how to vote on the proposed resolutions. As the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, our role is to give independent opinion to the Independent Board Committee for it to advise the Independent Shareholders in this regard.

### **BASIS OF OUR OPINION**

In formulating our view and recommendation to the Independent Board Committee and the Independent Shareholders, we have relied on (i) the information, facts and representations provided, and the opinions and views expressed, to us by the Company, the Directors and/or the management of the Group, and (ii) the information, facts, representations, opinions and views of the Company, the Directors and/or the management of the Group contained or referred to in the Circular, including but not limited to the Letter from the Board contained therein, all of which have been assumed to be true, accurate and complete at the time they were made and continue to be so as at the Latest Practicable Date. We have also assumed that all statements of belief, opinion, view and intention made by the Company, the Directors and/or the management of the Group in the Circular, including but not limited to the Letter from the Board contained therein, were reasonably made after due and careful enquiry and the expectations and intentions made by the Company, the Directors and/or the management of the Group will be met or carried out as the case may be. We consider that we have received and reviewed sufficient information to reach an informed view and have no reason to believe that any material information has been omitted or withheld, or to doubt the truth, accuracy and completeness of the information and representations provided to us by the Company, the Directors and/or the management of the Group. We have been confirmed by the Company that no material facts have been withheld or omitted from the information provided to us, the opinion expressed to us, and/or information or opinion contained or referred to in the Circular.

We have not, however, carried out any independent verification of the information provided by the Company, the Directors and/or the management of the Group, nor have we conducted any independent investigation into the business, financial conditions and affairs of the Group, the

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## LETTER FROM CAPITAL 9

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counter-party to the 2024 MLAs, or any of its respective subsidiaries, controlled entities, jointly controlled entities or associates. We consider that we have performed our duties with impartiality and independence from the Company.

The Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in the Circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement in the Circular misleading.

As at the Latest Practicable Date, we were not aware of any relationships between us and, nor any interests held by us in, the Company or the counter-parties to the 2024 MLAs that could reasonably be regarded as hindrance to our independence as defined under Rule 13.84 of the Listing Rules to act as the Independent Financial Adviser. In the past two years preceding the Latest Practicable Date, there was no engagement between the Company and us. Apart from normal professional fees paid or payable to us in connection with this appointment as the Independent Financial Adviser, no arrangement exist whereby we had received any fees or benefits from the Company. Accordingly, we are qualified to give independent advice in respect of the 2024 MLAs, the transactions contemplated thereunder and the Aggregate Tenancy Annual Caps.

### **PRINCIPAL REASONS AND FACTORS CONSIDERED**

In arriving at our recommendation to the Independent Board Committee and the Independent Shareholders in respect of the entering into of the 2024 MLAs and the Aggregate Tenancy Annual Caps, we have taken into consideration the following principal reasons and factors:

#### **(1) Background of and reasons for the 2024 MLAs**

The Group are principally engaged in property investment, property development and hospitality in the Greater China and overseas. As stated in the 2022/2023 annual report (the “**2022/23 Annual Report**”) of the Company, the Group’s investment properties portfolio primarily focuses on commercial buildings and quality street-level retail spaces in prominent locations. The Group owns many premium office and commercial towers and generated rental income (including licence fee income) from numerous retail spaces in popular shopping districts in Hong Kong, mainland China, Macau and London. Rental income has been one of the major revenue stream of the Group, which amounted to approximately HK\$870.8 million, representing approximately 71.9% of the Group’s total revenue for the year ended 31 March 2023. The Group’s rental income remained broadly stable although the abundant office space supply during the year has resulted in a competitive landscape.

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## LETTER FROM CAPITAL 9

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The Group has been leasing properties to members of Emperor Group for rental income for many years in its ordinary and usual course of business pursuant to previous master leasing agreements in 2018 and the 2020 MLAs. The Tenancy Transactions contemplated under the 2020 MLAs contributed rental income of approximately HK\$110.6 million, representing approximately 12.7% of the total rental income of the Group for the year ended 31 March 2023. As the 2020 MLAs will expire on 31 March 2024, the Company and its subsidiary, Emperor E Hotel, entered into the 2024 MLAs with relevant members of Emperor Group on 23 March 2023 in order to continue to govern the arrangements for the Tenancy Transactions, and to streamline the relevant process of reporting, announcement and Shareholders' approval, if necessary, whenever there is new or renewal of the Tenancy Transactions between the Group and relevant parties, for a successive term of 3 years from 1 April 2024.

Taking into account (i) the leasing of properties have been one of the principal business of the Group which has contributed a major portion of the revenue of the Group; (ii) members of Emperor Group have leased different types of the Group's properties for many years; (iii) the 2020 MLAs which govern the tenancy transactions between the Group and relevant member of Emperor Group will expire on 31 March 2024 and thus the entering into of the 2024 MLAs is crucial to facilitate the Group to continue to generate rental income from members of Emperor Group, we concur with the Director's view that the entering into of the 2024 MLAs are in the ordinary and usual course of business and in the interests of the Company and its Shareholders as a whole.

### **(2) Principal terms of the 2024 MLAs**

As stated in the Letter from the Board, the Group and relevant members of Emperor Group may from time to time enter into the Definitive Leasing Agreement(s) in relation to any Tenancy Transaction(s) upon, and subject to, the terms and conditions in compliance with the 2024 MLAs, provides that:

- (a) all the Tenancy Transactions have been and shall be conducted in the usual and ordinary course of business of both the Group and respective members of Emperor Group and are in the interest of their respective shareholders as a whole;
- (b) the terms of each Definitive Leasing Agreement have been and shall be on normal commercial terms or on terms which are no less favourable than terms offered by independent third parties;
- (c) the terms of the Tenancy Transactions have been and shall be arrived at after arm's length negotiation and the amount of rental thereunder the respective Definitive Leasing Agreements shall be determined based on the condition of the properties and with reference to the then prevailing market rents on premises comparable in location, area and permitted use;

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## LETTER FROM CAPITAL 9

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- (d) all the Tenancy Transactions have been and shall be concluded in compliance with all applicable provisions of the Listing Rules, the applicable laws, the 2024 MLAs and the relevant Definitive Leasing Agreements; and
  - (e) relevant members of Emperor Group have / shall have the option to consider third party landlords and premises other than the properties of the Group
- ((a) to (e), together, the “**2024 MLAs Principals**”).

As confirmed by the Company, the Group has the sole and absolute discretion on whether enter into a Tenancy Transaction with members of Emperor Group or not, taking into consideration the business development of the Group and members of Emperor Group. And the Group has no preference for leasing its properties to members of Emperor Group or independent tenants on the same terms.

### Rental rate

We have obtained a list of Tenancy Transactions provided by the Company containing some key information of the Tenancy Transactions of the Group with members of Emperor Group, such as existing lease period and annual rental income generated in last few years, and expected renewed lease period, rental rate and annual rental income for the 3 years ending 31 March 2027.

We have discussed with and understood from the Company that, before entering into a new, renewed or revised definitive lease agreement with its connected or independent tenant, the leasing department responsible for the Group’s leasing business would set out the key rental terms of such lease in an internal approval document to seek the management’s approval on the new, renewal of, or adjustment of terms of, such tenancy transaction (the aforesaid list, internal approval documents and definitive lease agreements, together the “**Tenancy Information**”).

We have reviewed and compared the rental terms stated in samples of internal approval document with that stated in the corresponding definitive lease agreement, and noted that the information is consistent with each other. Hence, we consider that information in both internal approval documents and definitive lease agreement are reliable and we can review and compare information in either one of them generally relating to tenancy transactions of the Group with members of Emperor Group or independent tenants.

In this regard, we have requested for (i) at least one set of tenancy documents (internal approval documents and/or definitive lease agreement) for each of the major types of the Group’s properties, including office, retail shop, car parking lot and cinema space, leased to relevant members of Emperor Group; and (ii) tenancy documents of comparable properties leased to independent tenants or then market rent reference information of comparable properties, for comparison. Based on the selection criteria above, 10 sets of comparison in total have been made by reviewing 10 sets of tenancy documents relating to lease to members of Emperor Group, 10 sets

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## LETTER FROM CAPITAL 9

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of tenancy documents relating to lease to independent tenants and market rent reference information as well. Among the 10 sets of comparison made, 4 sets each are related to lease of office and retail shop respectively given a major portion of the Group's Tenancy Transactions were related to those two types of properties, and 1 set each is related to lease of car parking lot and cinema space respectively. Taking into consideration (i) the aforesaid comparisons made have covered the major types of the Group's properties for lease in its ordinary course of business; (ii) 10 over 58 tenancy transactions with members of Emperor Group has been reviewed and compared; and (iii) as confirmed by the Company, they had followed the principals similar with the 2024 MLAs Principals to fix the terms under the definitive leasing agreement entered into with members of Emperor Group to ensure normal commercial terms were offered, the samples selected were considered representative.

Based on the information from the Tenancy Information reviewed and compared, we noted that the fixed rental rate charged by the Group from members of Emperor Group for leasing the Group's property (such as office) was within the range of or close to the rental rate from independent tenants for leasing comparable properties, or the range of then market rental rates of comparable properties based on market information found by the Group. We also noted that from the Tenancy Information and further advised by the Company that, in leasing some of retail shops, the Group charges a base rent of a fixed amount or turnover rent (being a percentage of sales revenue generated by the respective tenant), whichever is higher. As advised by the Company, turnover rent is also a common practice in property leasing market, particularly in retail sector, with an aim to align the rent with the tenant's business performance. We noted from the Tenancy Information that the percentage range of turnover rent charged by the Group from members of Emperor Group and independent tenants was similar.

We have discussed with and understood from the Company that the rental rate charged by the Group for leasing its properties to connected or independent tenant was determined taking into account a number of factors, particularly, location, area, condition, market demand of respective properties and/or the then prevailing market rate of comparable premises, after arm's length negotiation between the Group and the respective tenant.

### Payment terms

We have compared the terms offered to members of Emperor Group and independent tenants as shown in the Tenancy Information. We noted that both members of Emperor Group and the independent tenants generally have to

- (i) pay a deposit equivalent to around three to four months of monthly rent at the time of entering into the definitive lease agreement; and

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## LETTER FROM CAPITAL 9

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- (ii) pay rent monthly in advance for leasing properties in Hong Kong and Macau, and monthly or quarterly in advance for leasing properties in the PRC generally.

Also, it is noted from the Tenancy Information that a rent free period were sometimes offered to the tenants, no matter independent or connected, and both within the range of up to 6 months. As advised by the Group, whether a rent free period would be offered generally depends on results of arm's length negotiation between the Group and the respective independent tenants or members of Emperor Group at the relevant time, after considering all the other rental terms and then market condition as a whole.

Taking into consideration our findings from the Tenancy Information, comparison and analysis made as stated above, we considered that the rental charged by the Group from members of Emperor Group and payment terms offered to them were fair and reasonable and on normal commercial terms, and as confirmed by the Company, they will follow the 2024 MLAs Principals to fix the terms under the definitive leasing agreement to be entered into with members of Emperor Group, in particular, (i) on normal commercial terms or on terms which are no less favourable than terms offered by independent tenants, and (ii) make reference to the then prevailing market rents on comparable premises, we concur with the Directors' view that the transactions to be contemplated under the 2024 MLAs are on normal commercial terms or better and fair and reasonable.

### (3) Aggregate Tenancy Annual Caps

The Aggregate Tenancy Annual Caps under the 2024 MLAs for each of the three years ending 31 March 2025 (“FY2025”), 2026 (“FY2026”) and 2027 (“FY2027”) are as follows:

	<b>FY2025</b>	<b>FY2026</b>	<b>FY2027</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
2024 EWJ MLA and 2024 EWJ (Hotel) MLA	100,000	110,000	120,000
2024 ECG MLA	15,000	15,000	15,000
2024 ECUG MLA	30,000	30,000	30,000
2024 Ulferts MLA	12,000	12,000	12,000
2024 AY Holdings MLA	<u>43,000</u>	<u>43,000</u>	<u>43,000</u>
	<u>200,000</u>	<u>210,000</u>	<u>220,000</u>

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## LETTER FROM CAPITAL 9

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As stated in the Letter from the Board, the respective Aggregate Tenancy Annual Caps aggregate all Tenancy Transactions entered/ to be entered with relevant members of Emperor Group regardless of the location and usage of the properties, and has been determined after taking into account the factors below:

- (i) historical transaction amounts of rental, management fee (if any) and charges received by the Group from members of Emperor Group under all Tenancy Transactions;
- (ii) the number of existing Tenancy Transactions entered into between the Group and respective members of Emperor Group as at 31 May 2023;
- (iii) assuming all the above tenancies will be renewed upon expiry and taking into account the possible oncoming adjustment in rental rates;
- (iv) the number of Tenancy Transactions that are expected to be entered into by the Group under the 2024 MLAs are in line with the business development of each operating unit of Emperor Group in the forthcoming years;
- (v) assuming the rent will be gradually recovered to pre-pandemic level during the terms of 2024 MLAs;
- (vi) there will be potential acquisition of properties by the Group which can be available for leasing to members of Emperor Group in the future; and
- (vii) the prevailing market rents of the properties as compared with similar properties in the vicinity.

### ***2024 EWJ MLA and 2024 EWJ (Hotel) MLA***

The annual cap under 2024 EWJ MLA and 2024 EWJ (Hotel) MLA for FY2025, FY2026 and FY2027 is HK\$100 million, HK\$110 million and HK\$120 million respectively.

We have reviewed the computation by the Company of the estimated amount of rental income for FY2025 to be received from Emperor W&J Group based on the factors above, which covers 80% of the annual cap for FY2025, and approximately 90% of which can be supported by the rental income from the existing leases between the Group and Emperor W&J Group which are expected to be renewed upon expiry, or the amount of historical rent income received by the Group for leasing the respective properties.

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## LETTER FROM CAPITAL 9

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Emperor W&J Group principally engages in the sales of internationally renowned watches and fine jewelry products under its own brand, and it operates its stores across Hong Kong, Macau and mainland China and other locations. We have discussed and understood from the Company that other than offices, the properties leased by Emperor W&J Group from the Group mainly included retail shops, sometimes together with projected signage or LED display near the retail shops and offices, in Hong Kong, mainland China and Macau. Duration of those leases are generally short term and of 1 year only, thus the Group will be flexible to adjust its rental rate annually according to the market condition, in particular, rent increment in light of the reviving momentum in tourism and retail in Hong Kong resulting from gradual recovery of global economy from COVID-19 pandemic.

Buffer of approximately HK\$20 million, being the difference between the estimated rental income and annual cap for FY2025, is provided. Annual cap for FY2026 of HK\$110 million represents an increase of HK\$10 million from that for FY2025. And annual cap for FY2027 of HK\$120 million represents an increase of HK\$10 million from that for FY2026. We understood from the Company that such buffer is reasonable to cater for potential demand from Emperor W&J Group for leasing additional retail shops taking into account the reviving tourism, retail and economy in Hong Kong as mentioned above, and the potential increase in turnover rent payable as a result of rebound of business. As stated in the circular of Emperor W&J dated 25 April 2023, Emperor W&J Group plans to enter into certain new tenancy agreements with the Group for opening of new stores in Hong Kong and/or the mainland China during the term of 2024 EWJ MLA and 2024 EWJ (Hotel) MLA.

After considering (i) the historical and existing rental income generated or to be generated from the Tenancy Transactions with Emperor W&J Group; (ii) the estimated rental income from Emperor W&J Group for FY2025; and (iii) the potential demand from Emperor W&J Group for leasing additional retail shops as discussed above, we concur with the Directors' view that the determination bases and thus the annual caps for FY2025, FY2026 and FY2027 under the 2024 EWJ MLA and 2024 EWJ (Hotel) MLA are fair and reasonable so far as the Independent Shareholders are concerned.

### **2024 ECG MLA**

The annual cap under 2024 ECG MLA for FY2025, FY2026 and FY2027 is HK\$15 million each.

We have reviewed the computation by the Company of the estimated amount of rental income for FY2025 to be received from Emperor Capital Group based on the factors above. Based on such computation, approximately 70% of the annual cap for FY2025 can be supported by the rental income from the existing leases between the Group and Emperor Capital Group which are expected to be renewed upon expiry, or the amount of historical rent income received by the Group for leasing the respective properties.

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## LETTER FROM CAPITAL 9

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Emperor Capital Group principally engages in the provision of financial services, including brokerage services, margin financing, money lending and corporate finance services. The Group's properties leased by Emperor Capital Group mainly included office premises and advertising signage or LED display near the offices in Hong Kong and Beijing.

As stated in the 2022/23 interim report of Emperor Capital Group, Emperor Capital Group operated 2 branches in Hong Kong and 3 liaison offices in Beijing, Shanghai and Guangzhou respectively as at 31 March 2023. In 2023, the Group arranged online and offline seminars via "Sun Channel", a self-operated financial channel on YouTube.

Buffer of approximately HK\$5 million, being the difference between the estimated rental income for FY2025 and the annual cap for FY2025, FY2026 and FY2027 of HK\$15 million each, is provided which the Group consider it reasonable so as to accommodate future business development and expansion of Emperor Capital Group and thus potential demand for more office premises and/or signage or LED display nearby.

After considering (i) the historical and existing rental income generated or to be generated from the Tenancy Transactions with Emperor Capital Group; (ii) the estimated rental income from Emperor Capital Group for FY2025; and (iii) the potential demand from Emperor Capital Group for leasing additional office premises and/or signage or LED display nearby along with its business development plan, we concur with the Directors' view that the determination bases and thus the annual caps for FY2025, FY2026 and FY2027 under the 2024 ECG MLA are fair and reasonable so far as the Independent Shareholders are concerned.

### **2024 ECUG MLA**

The annual cap under 2024 ECUG MLA for FY2025, FY2026 and FY2027 is HK\$30 million each.

We have reviewed the computation by the Company of the estimated amount of rental income for FY2025 to be received from Emperor Culture Group based on the factors above, which covers approximately 61% of the annual cap for FY2025, and approximately 80% of which can be supported by the rental income from the existing leases between the Group and Emperor Culture Group which are expected to be renewed upon expiry, or the amount of historical rent income received by the Group for leasing the respective properties.

Emperor Culture Group principally engages in entertainment, media and cultural development businesses, which include cinema operation and investments in films. The Group's properties leased by Emperor Culture Group mainly include office premises and cinema complex both in Hong Kong and Beijing.

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## LETTER FROM CAPITAL 9

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Buffer of approximately HK\$12 million, being the difference between the estimated rental income for FY2025 and each of the annual cap for FY2025, FY2026 and FY2027 of HK\$30 million, is provided. We understood from the Company that such buffer is reasonable as it has to cater for the potential growth in rental income from tenancy transactions with Emperor Culture Group with the lifting of anti-epidemic measures and gradual recovery of economy in both Hong Kong and mainland China. As stated in the Tenancy Information, rent concession, in particular, rent free period, was offered by the Group to Emperor Culture Group and independent tenants during outbreak of pandemic in light of pandemic containment measures implemented in Hong Kong and mainland China. As advised by the Company, such rent concession is not expected to be offered to Emperor Culture Group in coming years. In addition, in leasing of cinema complex, box-office sharing and food and beverage sharing are part of the rent charged by the Group. As stated in the 2022/23 interim report of Emperor Culture Group, following the relaxation of the pandemic containment measures in mainland China, box office sales bounced back and achieved approximately RMB10.1 billion in January 2023, with Chinese-made blockbusters leading the box office, which is a strong sign of recovery of China's movie sector. Looking ahead, leveraging the long-established Emperor brand label, Emperor Culture Group will continue to expand its cinema network. As further stated by Emperor Culture Group in the aforesaid interim report, it is confident that the reopening of borders between Hong Kong, Macau and mainland China contributes to a solid improvement in consumption sentiment and in turn boost the film production and film exhibition industries.

After considering (i) the historical and existing rental income generated or to be generated from the Tenancy Transactions with Emperor Culture Group; (ii) the estimated rental income from Emperor Culture Group for FY2025; and (iii) the potential growth in rental income particularly from leasing of cinema complex with the lifting of anti-epidemic measures and gradual recovery of economy in both Hong Kong and mainland China, we concur with the Directors' view that the determination bases and thus the annual caps for FY2025, FY2026 and FY2027 under the 2024 ECUG MLA are fair and reasonable so far as the Independent Shareholders are concerned.

### ***2024 Ulferts MLA***

The annual cap under 2024 Ulferts MLA for FY2025, FY2026 and FY2027 is HK\$12 million each.

We have reviewed the computation by the Company of the amount of rental income for FY2025 based on the factors above. Based on such computation, approximately 65% of the annual cap for FY2025 can be supported by the rental income from the existing leases between the Group and Ulferts Group which are expected to be renewed upon expiry, or the amount of historical rent income received by the Group for leasing the respective properties.

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## LETTER FROM CAPITAL 9

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Ulferts Group principally engages in retailing of furniture. As stated in its 2022/23 annual report, it operated 26 points-of-sale in Hong Kong as at 31 March 2023 under a number of trade names which specialise in furniture products, mattresses and bedding products respectively. The properties leased by Ulferts Group from the Group mainly included office and retail shops, including its 3-storey flagship store located in Hung Hom. As further stated in the aforesaid report, Ulferts Group will strive to strengthen its market position by enriching the product offering and launching more vigorous promotions.

Buffer of less than HK\$5 million, being the difference between the estimated rental income and each of the annual cap for FY2025, FY2026 and FY2027 of HK\$12 million, is provided. We understood from the Company that such buffer is reasonable as it has to cater for potential demand from Ulferts Group for leasing more properties of the Group and potential rent increment with the expected gradual recovery of Hong Kong economy from pandemic.

After considering (i) the historical and existing rental income generated or to be generated from the Tenancy Transactions with Ulferts Group; (ii) the estimated rental income from Ulferts Group for FY2025; and (iii) the potential demand from Ulferts Group for leasing additional properties from the Group and potential rent increment along with the expected gradual recovery of Hong Kong economy, we concur with the Directors' view that the determination bases and thus the annual caps for FY2025, FY2026 and FY2027 under the 2024 Ulferts MLA are fair and reasonable so far as the Independent Shareholders are concerned.

### ***2024 AY Holdings MLA***

The annual cap under 2024 AY Holdings MLA for FY2025, FY2026 and FY2027 is HK\$43 million each.

We have reviewed the computation by the Company of the estimated amount of rental income for FY2025 to be received from AY Group based on the factors above. Based on such computation, approximately 43% of the annual cap for FY2025 can be supported by the rental income from the existing leases between the Group and AY Holdings (including the Non-Listed Group) which are expected to be renewed upon expiry, or the amount of historical rent income received by the Group for leasing the respective properties.

AY Holdings is the agent acting on behalf of relevant members of Emperor Group, other than the Group, Emperor W&J Group, Emperor Capital Group, Emperor Culture Group and Ulferts Group. As advised by the Company, the aforesaid non-listed members of Emperor Group engage in a variety of business, including but not limited to production and distribution of music publishing, talent management and concert production, production, sales and distribution of motion pictures, copyright holding and licensing business, provision of foreign exchange and bullion trading services, and property and miscellaneous investments.

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## LETTER FROM CAPITAL 9

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Buffer of approximately HK\$17 million, being the difference between the estimated rental income and each of the annual cap for FY2025, FY2026 and FY2027 of HK\$43 million, is provided. We understood from the Company that such buffer is reasonable as it has to cater for potential demand from the aforesaid non-listed members of Emperor Group for leasing additional properties of the Group and potential rent increment with the expected gradual recovery of Hong Kong economy from COVID-19 pandemic.

After considering (i) the historical and existing rental income generated or to be generated from the Tenancy Transactions with the non-listed members of Emperor Group; (ii) the estimated rental income from them for FY2025; and (iii) the potential demand from them for leasing additional properties from the Group given the variety of their business, we concur with the Directors' view that the determination bases and thus the annual caps for FY2025, FY2026 and FY2027 under the 2024 AY Holdings MLA are fair and reasonable so far as the Independent Shareholders are concerned.

As advised by the Company, the Group may acquire or develop properties for leasing in the future should suitable opportunities arise. As stated in the 2022/23 Annual Report, the Group continually strives to enhance the value and maximise the potential rental income of its premises by undertaking redevelopment programme, such as (i) the project at No. 81 Lockhart Road, Wan Chai, involving transformation of the building into a Grade-A office building with a gross floor area of approximately 126,600 square feet; and (ii) the redevelopment project for Bhotai Industrial Building & Shan Ling Industrial Building in Tuen Mun, involving the demolition and redevelopment of two adjacent buildings into a building for use by data centres.

In addition, apart from the properties currently leased to members of Emperor Group, the Group have some other properties available for lease, some of which are currently leased to independent third parties which contributed rental income of approximately HK\$760.1 million, representing approximately 87.3% of the total rental income of the Group for the year ended 31 March 2023. As advised by the Group, the aforesaid buffer in annual cap is reasonable as the members of Emperor Group may have to lease some of those Group's properties in the future in line with their business development.

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## LETTER FROM CAPITAL 9

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After considering the factors and analysis above, in particular, (i) the historical and existing rental income generated or to be generated from the Tenancy Transactions with members of Emperor Group; (ii) the estimated rental income from members of Emperor Group in next few years up to FY2027; (iii) the potential acquisition or development of properties by the Group for leasing; (iv) the potential lease of other Group's properties to members of Emperor Group taking into account their potential business development; and (v) expected gradual recovery in the leasing market along with the gradual recovery from COVID-19 pandemic in Hong Kong, the PRC and Macau, we concur with the Directors' view that the determination bases and thus the Aggregate Tenancy Annual Caps are fair and reasonable so far as the Independent Shareholders are concerned.

#### **(4) Internal control procedures to assess Tenancy Transactions**

As stated in the Letter from the Board, the Group will follow a series of procedures in selecting premises and determining the rentals and the terms of the tenancies. The rent quote offered or solicited by the Group will be decided based on the valuation of the subject premises (as appropriate), market rentals of similar properties within the proximity, condition of the subject premises, comparison among proposed offers from potential tenants and/or any other factors as deemed to be applicable by the Group. When the terms of Tenancy Transactions are basically agreed on after arm's length negotiation, the management of the Group will review the terms of Tenancy Transactions including rental and grant approval before execution of the Tenancy Transactions. With the above control procedures, the Directors consider that the Tenancy Transactions are conducted on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

In addition, to ensure that the Definitive Leasing Agreement(s) will be entered into in accordance with the general terms of the 2024 MLAs and the requirements of Chapter 14A of the Listing Rules, (i) the management of the Company will assess each of the Definitive Leasing Agreements with the aforementioned procedures; (ii) the relevant departments of the Group will record the transaction amount(s) to ensure that the Aggregate Tenancy Annual Caps will not be exceeded; (iii) the Group will engage external auditor to conduct an annual review of the Tenancy Transactions to opine on whether the Aggregate Tenancy Annual Caps have been exceeded; and (iv) the independent non-executive Directors will review the Tenancy Transactions contemplated under the 2024 MLAs annually.

The Directors are of the view that there are adequate measures in place to monitor the transactions contemplated under the 2024 MLAs and thus the interest of the Independent Shareholders would be safeguarded.

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## LETTER FROM CAPITAL 9

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### RECOMMENDATION

Having considered the principal factors and reasons discussed above, we are of the view that the entering into of the 2024 MLAs and the transactions contemplated thereunder are in the ordinary and usual course of business of the Group, on normal commercial terms or better, and together with the Aggregate Tenancy Annual Caps, are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, we advise the Independent Board Committee to recommend, and we recommend, the Independent Shareholders to vote in favour of the relevant resolutions to be proposed at the AGM.

Yours faithfully,  
For and on behalf of  
**Capital 9 Limited**

**Chu Tat Hoi**  
*Managing Director*

**Chan Man Yee**  
*Director*

*Chu Tat Hoi and Chan Man Yee are licensed persons and responsible officers of Capital 9 Limited registered with the Securities and Futures Commission to carry out Type 6 (advising on corporate finance) regulated activity under the SFO and have over 20 years and 15 years of experience in the corporate finance industry.*

## 1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, including particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

## 2. DISCLOSURE OF INTERESTS OF DIRECTORS AND CHIEF EXECUTIVES

As at the Latest Practicable Date, the following Directors and chief executives of the Company were interested, or were deemed or taken to be interested in the following long and short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO; or (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) pursuant to the Model Code for Securities Transactions by Directors adopted by the Company (“**Model Code**”) to be notified to the Company and the Stock Exchange:

### (a) Long positions interest in the Company

#### *Shares*

Name of Directors	Capacity/ Nature of Interests	Number of issued Shares interested	% of issued voting Shares
Ms. Luk Siu Man, Semon (“ <b>Ms. Semon Luk</b> ”)	Interest of spouse	2,747,611,223 <i>(Note)</i>	74.71
Mr. Yeung Ching Loong, Alexander (“ <b>Mr. Alex Yeung</b> ”)	Eligible beneficiary of a private discretionary trust	2,747,611,223 <i>(Note)</i>	74.71
Ms. Fan Man Seung, Vanessa (“ <b>Ms. Vanessa Fan</b> ”)	Beneficial owner	10,500,000	0.29

*Note:* These Shares were held by Emperor International Group Holdings Limited (“**Emperor International Group Holdings**”), a wholly-owned subsidiary of AY Holdings. AY Holdings was held by First Trust Services AG (“**First Trust Services**”) in trust for a private discretionary trust set up by Dr. Yeung. By virtue of being the spouse of Dr. Yeung (founder of the private discretionary trust), Ms. Semon Luk had deemed interests in the same Shares whereas Mr. Alex Yeung also had deemed interests in the same Shares by being one of the eligible beneficiaries of such private discretionary trust.

## (b) Long position interests in ordinary shares of associated corporations of the Company

Name of Directors	Name of associated corporations	Capacity/ Nature of interests	Number of issued shares interested	% of issued voting shares
Ms. Semon Luk	Emperor E Hotel	Interest of spouse	851,353,645	71.63
	Emperor W&J	- ditto -	4,298,630,000	63.41
	Emperor Culture	- ditto -	2,371,313,094	73.80
	Ulferts	- ditto -	600,000,000	75.00
	New Media Lab Limited ("New Media Lab")	- ditto -	315,000,000	52.50
Mr. Alex Yeung	Emperor E Hotel	Eligible beneficiary of a private discretionary trust	851,353,645	71.63
	Emperor W&J	- ditto -	4,298,630,000	63.41
	Emperor Culture	- ditto -	2,371,313,094	73.80
	Ulferts	- ditto -	600,000,000	75.00
	New Media Lab	- ditto -	315,000,000	52.50

*Note:* These shares were ultimately owned by the respective private discretionary trusts which were also founded by Dr. Yeung. By virtue of being the spouse of Dr. Yeung, Ms. Semon Luk had deemed interests in such shares whereas Mr. Alex Yeung also had deemed interests in the same shares by virtue of being one of the eligible beneficiaries of such private discretionary trusts.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors nor chief executives of the Company had any interests or short positions in any shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO; or (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) pursuant to the Model Code to be notified to the Company and the Stock Exchange.

As at the Latest Practicable Date, none of the Directors was a director or an employee of a company which had an interest or short position in the Shares and underlying shares of the Company would fall to be disclosed to the Company under the provision of Division 2 and 3 of Part XV of the SFO.

### 3. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contracts with the Company or any member of the Group which is not determinable within one year without payment of compensation other than statutory compensation.

### 4. COMPETING INTERESTS

As at the Latest Practicable Date, the interests of Directors or their respective close associates in the businesses which are considered to compete or are likely to compete, either directly or indirectly, with the business of the Group as required to be disclosed pursuant to the Listing Rules were as follows:

- (i) Ms. Semon Luk, being the spouse of Dr. Yeung (founder of a private discretionary trust), is deemed to be interested in various companies under a discretionary trust which are also engaging in property investment and development. As Ms. Semon Luk is not involved in the Company's day-to-day operations and management, the Group is capable on its business independently of and at arm's length from such disclosed deemed competing business;
- (ii) Mr. Alex Yeung, being one of the eligible beneficiaries of the aforesaid trust, is deemed to be interested in various companies under such trust which are also engaged in property investment and development. He also has shareholding and directorship interests in private companies engaged in property investment. Given that (a) he cannot control the boards of the Company and the companies under such trust; and (b) size and dominance of the portfolio of the Group, the Directors considered the Group's interests are adequately safeguarded;
- (iii) Mr. Wong Chi Fai and his associates and Ms. Vanessa Fan have shareholding and directorship interests in private companies engaged in property investment business. In light of the size and dominance of the portfolio of the Group, such disclosed deemed competing business is considered immaterial; and
- (iv) Mr. Cheung Ping Keung has directorship role in several companies under the aforesaid trust which are also engaged in property investment and development. Given that he cannot control the boards of the Company and those several companies, the Directors considered the Group's interests are adequately safeguarded.

Saved as disclosed above, so far as is known to the Directors or chief executives of the Company, as at the Latest Practicable Date, none of the Directors or their respective close associates was interested in any business which competes or is likely to compete, either directly or indirectly, with business of the Group.

**5. DIRECTORS' INTERESTS IN CONTRACTS OR ARRANGEMENTS**

As at the Latest Practicable Date, save for 2020 MLAs, 2024 MLAs and the agreements listed below, there was no other contract or arrangement subsisting in which any Director (excluding Ms. Semon Luk and Mr. Alex Yeung who have deemed interests) was materially interested and which was significant in relation to the business of the Group:

- (a) The master agreement dated 3 March 2023 entered into between the Company and Ulferts in relation to the purchase of furniture products and obtaining of furniture procurement consultancy services thereunder; and
- (b) The sale and purchase agreement dated 3 July 2023 entered into between Emperor Property Investment Limited, a direct wholly-owned subsidiary of the Company; and Emperor Agency Limited, a company indirectly controlled by a private discretionary trust as set up by Dr. Yeung in relation to the Disposal (as defined in the Disposal Circular).

**6. DIRECTORS' INTERESTS IN ASSETS**

As at the Latest Practicable Date, save for the sale and purchase agreement dated 3 July 2023 in relation to the disposal of the entire equity interest in Joybridge Services Limited, which indirectly holds the property interest, namely Fitfort Shopping Arcade, from Emperor Property Investment Limited, a direct wholly-owned subsidiary of the Company, to Emperor Agency Limited, a company indirectly controlled by a private discretionary trust as set up by Dr. Yeung, at the consideration (subject to adjustment) of approximately HK\$1,942.8 million, none of the Directors had any direct or indirect interests in any assets which have been, since 31 March 2023 (being the date to which the latest published audited financial statements of the Group were made up), acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

**7. EXPERT AND CONSENT**

The following is the qualifications of the expert who has given opinions or advice which are contained in this circular:

<b>Name</b>	<b>Qualification</b>
Capital 9 Limited	a licensed corporation carrying out type 6 (advising on corporate finance) regulated activity under the SFO

As at the Latest Practicable Date, the above expert has given and has not withdrawn its written consent to the issue of this circular with the inclusion herein of its letter and references to its names, in the form and context in which it appears. As at the Latest Practicable Date, Capital 9:

- (a) did not have any shareholding in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for any shares, convertible securities, warrants, options or derivatives which carry voting rights in any member of the Group; or
- (b) did not have any interest, either directly or indirectly, in any assets which have been, since the date to which the latest published audited financial statements of the Company were made up (i.e. 31 March 2023), acquired or disposed of by or leased to or are proposed to be acquired or disposed of by or leased to any member of the Group.

## **8. MATERIAL CONTRACTS**

Save for the deed of guarantee on 27 October 2022 in relation to the provision of additional corporate guarantee in favour of The Hongkong and Shanghai Banking Corporation Limited for an additional 10% of obligations and liabilities of Talent Charm Corporation Limited under the term loan facilities amounting to approximately HK\$2,330.0 million, during the two years immediately preceding the date of this circular up to and including the Latest Practicable Date, no contract (not being contracts entered into in the ordinary course of business of the Group) has been entered into by the Group and is or may be material.

## **9. MATERIAL ADVERSE CHANGE**

As at the Latest Practicable Date, the Directors were not aware of any circumstances or events that may give rise to a material adverse change in the financial or trading position of the Group since 31 March 2023, being the date to which the latest audited consolidated financial statements of the Group were made up.

## **10. DOCUMENTS ON DISPLAY**

Copies of the following documents will be published on the website of the Stock Exchange (<https://www.hkexnews.hk>) and the Company (<https://www.EmperorInt.com>) in accordance with the Listing Rules from the date of the circular and up to and including the date of the AGM:

- (a) the 2024 MLAs;
- (b) the written consent referred to in the paragraph headed “Expert and Consent” in this Appendix;
- (c) the letter from the Independent Board Committee as set out from pages 17 to 18 in this circular; and

- (d) the letter from Capital 9, the Independent Financial Adviser, as set out in pages 19 to 33 in this circular.

**11. MISCELLANEOUS**

- (a) The company secretary of the Company is Ms. Fung Pui Ling, who is a fellow member of both The Chartered Governance Institute in the United Kingdom and The Hong Kong Chartered Governance Institute.
- (b) The registered office of the Company is at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda.
- (c) The head office and principal place of business in Hong Kong of the Company is 28th Floor, Emperor Group Centre, 288 Hennessy Road, Wanchai, Hong Kong.
- (d) The branch share registrar and transfer office of the Company in Hong Kong is Tricor Secretaries Limited situated at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.
- (e) The English text of this circular and the accompanying form of proxy shall prevail over their respective Chinese text.

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## NOTICE OF ANNUAL GENERAL MEETING

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# 英皇國際集團有限公司 Emperor International Holdings Limited

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 163)**

**NOTICE IS HEREBY GIVEN** that the annual general meeting of Emperor International Holdings Limited (the “Company”) will be held at 22nd Floor, Emperor Group Centre, 288 Hennessy Road, Wanchai, Hong Kong on Tuesday, 19 September 2023 at 11:15 a.m. for the following purposes:

### **ORDINARY RESOLUTIONS**

1. To receive and adopt the audited consolidated financial statements for the year ended 31 March 2023 together with the reports of the directors and independent auditor thereon.
2. To declare a final dividend for the year ended 31 March 2023.
3. (A) To re-elect Ms. Luk Siu Man, Semon as Director.  
(B) To re-elect Ms. Fan Man Seung, Vanessa as Director.  
(C) To re-elect Mr. Chu Kar Wing as Director.
4. To authorise the Directors to fix the Directors’ remuneration.
5. To re-appoint Deloitte Touche Tohmatsu as independent auditor and to authorise the Directors to fix its remuneration.

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## NOTICE OF ANNUAL GENERAL MEETING

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As special business, to consider and, if thought fit, pass with or without amendments, the following resolutions as ordinary resolutions:

6. (A) **“THAT**

- (i) subject to sub-paragraph (ii) of this resolution, the exercise by the Directors during the Relevant Period (as defined in sub-paragraph (iii) of this resolution) of all the powers of the Company to allot and issue additional shares of the Company and to make or grant offers, agreements and options which might require the exercise of such powers either during or after the Relevant Period, be and is hereby generally and unconditionally approved;
- (ii) the aggregate number of shares of the Company allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in sub-paragraph (i) of this resolution, otherwise than pursuant to a Rights Issue (as defined in sub-paragraph (iii) of this resolution) or the exercise of subscription or conversion rights under any warrants of the Company or any securities which are convertible into shares of the Company or any share option scheme, shall not exceed 20% of the total number of issued shares of the Company on the date of this resolution and this approval shall be limited accordingly; and
- (iii) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (a) the conclusion of the next annual general meeting of the Company;
- (b) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company (“Bye-laws”) or any applicable laws to be held; and
- (c) the date of which the authority sets out in this resolution is revoked or varied by an ordinary resolution passed in general meeting.

“Rights Issue” means an offer of shares open for a period fixed by the Directors to holders of shares on the register on a fixed record date in proportion to their then holdings of such shares (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of, any recognized regulatory body or any stock exchange in any territory outside Hong Kong).”

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## NOTICE OF ANNUAL GENERAL MEETING

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6. (B) **“THAT**

(i) subject to sub-paragraph (ii) of this resolution, the exercise by the Directors during the Relevant Period (as defined in sub-paragraph (iii) of this resolution) of all the powers of the Company to buy back issued shares of the Company on The Stock Exchange of Hong Kong Limited (“Stock Exchange”) or on any other stock exchange on which the shares of the Company may be listed and recognised by the Stock Exchange and the Securities and Futures Commission for this purpose, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or of any other stock exchange as amended from time to time be and is hereby generally and unconditionally approved;

(ii) the aggregate number of shares of the Company to be bought back pursuant to the approval in sub-paragraph (i) above shall not exceed 10% of the total number of the issued shares of the Company as at the date of this resolution and the said approval shall be limited accordingly; and

(iii) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

(a) the conclusion of the next annual general meeting of the Company;

(b) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws or any applicable laws to be held; and

(c) the date on which the authority sets out in this resolution is revoked or varied by an ordinary resolution in general meeting.”

6. (C) **“THAT** conditional upon resolution nos. 6(A) and 6(B) above being passed, the aggregate number of shares of the Company which are bought back by the Company under the authority granted to the Directors as mentioned in resolution no. 6(B) above shall be added to the aggregate number of shares of the Company that may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to resolution no. 6(A) above, provided that such extended number of shares of the Company shall not exceed 10% of the total number of issued shares of the Company as at the date of passing resolution no. 6(B).”

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## NOTICE OF ANNUAL GENERAL MEETING

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7. “**THAT** (i) conditional upon the Listing Committee of the Stock Exchange granting the approval for listing of, and permission to deal in, shares of the Company which fall to be issued pursuant to the exercise of share options granted under the New Share Option Scheme (as defined in the circular of the Company dated 23 August 2023 in relation to, inter alia, the adoption of New Share Option Scheme (“Mandate Circular”) and a copy of which is tabled before the meeting marked “A” and initialed by the Chairperson of the meeting for identification purpose), the New Share Option Scheme, with the Scheme Limit (as defined in Mandate Circular and being 10% of shares in issue as at the date of passing of this resolution (share options previously granted including those outstanding, cancelled, lapsed or exercised shall not be counted in this 10% limit)) be approved and adopted to be the share option scheme of the Company; and (ii) the Board be authorised to grant share options thereunder and to allot and issue shares of the Company pursuant to the exercise of share options granted under the New Share Option Scheme and to do all such acts, to enter into all such transactions, arrangements and agreements as may be necessary or desirable to give full effect to the New Share Option Scheme and the Scheme Limit.”
8. “**THAT** conditional upon the passing of the resolution no. 7 above, the Service Provider Sublimit (as defined in Mandate Circular and being 5% in aggregate of the total number of issued shares as at the date of the passing of this resolution) be approved and the Board be authorised to do all such acts, to enter into all such transactions, arrangements and agreements as may be necessary or desirable to give full effect to the Service Provider Sublimit.”
9. “**THAT** (i) the Aggregate Tenancy Annual Cap (as defined in the circular of the Company dated 23 August 2023 in relation to renewal of continuing connected transactions – 2024 master leasing agreements (“MLA Circular”)) for the master leasing agreement dated 23 March 2023 entered into between the Company and Emperor Watch & Jewellery Limited (“2024 EWJ MLA”) and the master leasing agreement dated 23 March 2023 entered into between Emperor Entertainment Hotel Limited and Emperor Watch & Jewellery Limited (“2024 EWJ (Hotel) MLA”) be and are hereby approved and (ii) any Director be and is hereby authorised to do all such acts and things which he/she may consider necessary, desirable or expedient to implement the transactions contemplated under the 2024 EWJ MLA and 2024 EWJ (Hotel) MLA (with any amendments to the terms of such agreements which are not inconsistent with the purpose thereof as may be approved by the Directors).”

*Remark for Resolution No. 9:*

*The Aggregate Tenancy Annual Cap for 2024 EWJ MLA and 2024 EWJ (Hotel) MLA are bundled into one resolution because Emperor Entertainment Hotel Limited is a subsidiary of the Company, thus the tenancy transactions conducted under such agreements are regarded as between the Group (including Emperor E Hotel Group) and Emperor W&J Group as defined in MLA Circular.*

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## NOTICE OF ANNUAL GENERAL MEETING

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10. “**THAT** (i) the Aggregate Tenancy Annual Cap for the master leasing agreement dated 23 March 2023 entered into between the Company and Emperor Capital Group Limited (“2024 ECG MLA”) be and is hereby approved and (ii) any Director be and is hereby authorised to do all such acts and things which he/she may consider necessary, desirable or expedient to implement the transactions contemplated under the 2024 ECG MLA (with any amendments to the terms of such agreement which are not inconsistent with the purpose thereof as may be approved by the Directors).”
  
11. “**THAT** (i) the Aggregate Tenancy Annual Cap for the master leasing agreement dated 23 March 2023 entered into between the Company and Emperor Culture Group Limited (“2024 ECUG MLA”) be and is hereby approved and (ii) any Director be and is hereby authorised to do all such acts and things which he/she may consider necessary, desirable or expedient to implement the transactions contemplated under the 2024 ECUG MLA (with any amendments to the terms of such agreement which are not inconsistent with the purpose thereof as may be approved by the Directors).”
  
12. “**THAT** (i) the Aggregate Tenancy Annual Cap for the master leasing agreement dated 23 March 2023 entered into between the Company and Ulferts International Limited (“2024 Ulferts MLA”) be and is hereby approved and (ii) any Director be and is hereby authorised to do all such acts and things which he/she may consider necessary, desirable or expedient to implement the transactions contemplated under the 2024 Ulferts MLA (with any amendments to the terms of such agreement which are not inconsistent with the purpose thereof as may be approved by the Directors).”
  
13. “**THAT** (i) the Aggregate Tenancy Annual Cap for the master leasing agreement dated 23 March 2023 entered into between the Company and Albert Yeung Holdings Limited (“2024 AY Holdings MLA”) be and is hereby approved and (ii) any Director be and is hereby authorised to do all such acts and things which he/she may consider necessary, desirable or expedient to implement the transactions contemplated under the 2024 AY Holdings MLA (with any amendments to the terms of such agreement which are not inconsistent with the purpose thereof as may be approved by the Directors).”

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## NOTICE OF ANNUAL GENERAL MEETING

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14. “**THAT** (i) the Sale and Purchase Agreement (as defined in the circular of the Company dated 23 August 2023 in relation to very substantial disposal and connected transaction – disposal of entire equity interest in target company (“Disposal Circular”) and a copy of which is tabled before the meeting marked “B” and initialed by the Chairperson of the meeting for identification purpose) and the transactions contemplated thereunder be and are hereby ratified, confirmed and approved; and (ii) any Director be and is hereby authorised to do all such acts and things which he/she may consider necessary, desirable or expedient to implement the transactions contemplated under the Sale and Purchase Agreement (with any amendments to the terms of such agreement which are not inconsistent with the purpose thereof as may be approved by the Directors).”

By order of the Board  
**Emperor International Holdings Limited**  
**Fung Pui Ling**  
*Company Secretary*

Hong Kong, 23 August 2023

*Registered office:*  
Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

*Head office and principal place of  
business in Hong Kong:*  
28th Floor  
Emperor Group Centre  
288 Hennessy Road  
Wanchai  
Hong Kong

*Notes:*

- (i) For details regarding resolution nos. 3, 6 to 8, please refer to the Mandate Circular. For details regarding resolution nos. 9 to 13, please refer to the MLA Circular. For details regarding resolution no. 14, please refer to the Disposal Circular. Unless indicated otherwise, capitalised terms used in the respective resolutions shall have the same meanings as those defined in the respective circulars.
- (ii) **No refreshments or drinks will be served and no corporate gifts will be distributed.**
- (iii) Pursuant to Rule 13.39(4) of the Rules Governing the Listing of Securities on the Stock Exchange, all resolutions set out in this notice will be decided by poll at the annual general meeting (“AGM”). Where the Chairperson in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted, such resolution will be decided by show of hands.
- (iv) A shareholder of the Company entitled to attend and vote at the meeting convened by this notice is entitled to appoint one or more proxies (if he/she is a holder of more than one share) to attend and vote in his/her stead. A proxy need not be a shareholder. The Company strongly encourages shareholders to appoint the Chairperson of the AGM as their proxies to exercise their rights to vote at the AGM. Physical attendance at the AGM by a shareholder is not necessary for the purpose of exercising voting rights.

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## NOTICE OF ANNUAL GENERAL MEETING

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- (v) In order to be valid, the form of proxy must be in writing under the hand of the appointor or his/her attorney duly authorised in writing, or if the appointor is a corporation, either under its common seal, or under the hand of an officer or attorney duly authorised on that behalf, and must be deposited at the Company's Hong Kong Branch Share Registrar, Tricor Secretaries Limited ("Branch Share Registrar"), at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong together with a power of attorney or other authority, if any, under which it is signed or a certified copy of that power of attorney or authority, not less than 48 hours before the time for holding the AGM or adjourned meeting.
- (vi) Where there are joint holders of any share(s), any one of such joint holders may vote, either in person or by proxy in respect of such share(s) as if he/she were solely entitled thereto, but if more than one of such joint holders be present at the AGM, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and, for this purpose, seniority shall be determined by the order in which the names stand in the register in respect of the joint holding of such share(s).
- (vii) Completion and delivery of the form of proxy will not preclude a shareholder from attending and voting in person at the AGM or adjourned meeting thereof and in such event, the form of proxy previously submitted shall be deemed to be revoked.
- (viii) In order to qualify for the right to attend and vote at the AGM, all relevant share certificates and properly completed transfer forms must be lodged for registration with the Branch Share Registrar at the above address not later than 4:30 p.m. on Wednesday, 13 September 2023.
- (ix) The AGM will be held on Tuesday, 19 September 2023 as scheduled regardless of whether or not an amber or red rainstorm warning signal is in force in Hong Kong at any time on that day. However, if Typhoon Signal No. 8 or above, or a "black" rainstorm warning signal or "extreme conditions after super typhoons" announced by the HKSAR Government is in force at any time after 8:30 a.m. and before the above meeting time, the AGM will be postponed. The Company will post an announcement on the websites of the Stock Exchange (<https://www.hkexnews.hk>) and the Company (<https://www.EmperorInt.com>) to notify shareholders of the date, time and place of the rescheduled meeting.
- (x) The translation into Chinese language of this notice is for reference only. In case of any inconsistency, the English version shall prevail.