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英皇娛樂酒店有限公司*
Emperor Entertainment Hotel Limited
(Incorporated in Bermuda with limited liability)
(Stock Code : 296)



英皇集團（國際）有限公司*
Emperor International Holdings Limited
(Incorporated in Bermuda with limited liability)
(Stock Code:163)

**RENEWAL OF CONTINUING CONNECTED TRANSACTIONS
PROVISION OF SERVICES TO SJM
IN GRAND EMPEROR HOTEL BY EMPEROR E HOTEL**

On 13 May 2020, Tin Hou, an indirectly wholly-owned subsidiary of Emperor E Hotel, received confirmation from SJM that SJM has counter-signed the 1st Addendum for the continuation of the provision of the Services to SJM in the Grand Emperor Hotel, which is operated by Emperor E Hotel Group.

SJM is a connected person at subsidiary level of Emperor E Hotel which is in turn indirectly non wholly-owned by Emperor International. The Transactions are subject to announcement, annual review and reporting requirements but exempt from the circular, independent financial advice and shareholders' approval requirements for both Emperor E Hotel and Emperor International pursuant to the Listing Rules.

INTRODUCTION

Reference is made to the joint announcement of Emperor E Hotel and Emperor International dated 19 February 2010 and the respective circulars of Emperor E Hotel and Emperor International both dated 8 April 2010 in relation to the continuing connected transactions regarding the provision of the Services to SJM in the Grand Emperor Hotel pursuant to the 2010 Services Agreement.

The directors of Emperor E Hotel and Emperor International are pleased to announce that on 13 May 2020, Tin Hou, an indirectly wholly-owned subsidiary of Emperor E Hotel, received confirmation from SJM that SJM has counter-signed the 1st Addendum for the continuation of the provision of the Services to SJM in the Grand Emperor Hotel, which is operated by Emperor E Hotel Group.

** for identification purposes only*

The principal terms of the 1st Addendum are set out below:

THE 1st ADDENDUM

The 1st Addendum is a supplemental agreement to the 2010 Service Agreement for the continuation of the provision of the Services to SJM during the term of the 1st Addendum. All other major terms of the 2010 Service Agreement shall remain unchanged.

Date: 4 May 2020

Parties:

- (1) Tin Hou, a limited company incorporated in Macau and being indirectly wholly-owned by Emperor E Hotel and indirectly non wholly-owned by Emperor International.
- (2) SJM, a company incorporated in Macau, which is principally engaged in gaming business in Macau and is one of the six concessionaires/sub-concessionaries licensed to carry on casino operations in Macau.

Term: from 1 April 2020 to 26 June 2022, being the extended term of the Gaming Concession Contract.

Service fee and reimbursement of expenses: In consideration for the provision of the Services, Tin Hou together with the nominated gaming promoter, which is a fellow subsidiary of Tin Hou and indirectly wholly-owned by Emperor E Hotel and indirectly non wholly-owned by Emperor International, shall be entitled to a share of the gross win and gross loss in respect of the monthly operating performance of the Gaming Area.

Such entitlement of Tin Hou for the Services is determined after arm's length negotiation between Tin Hou and SJM and on the same basis as stated under the 2010 Service Agreement.

Tin Hou shall reimburse SJM all costs and expenses in relation to the resources allocated by SJM to the Gaming Area under the 1st Addendum and the 2010 Services Agreement.

NEW ANNUAL CAP AND THE BASIS OF DETERMINATION

Set out below is the New Annual Cap for each of the financial years ending 31 March 2021, 2022 and 2023:

For the financial year ending 31 March	New Annual Cap
	<i>HK\$'000</i>
2021	800,000
2022	1,200,000
2023 (<i>from 1 April 2022 to 26 June 2022</i>)	300,000

The New Annual Cap is determined with reference to (i) average annual historical transaction amounts of approximately HK\$1,227 million in respect of the entitlement of Tin Hou for the provision of the Services to SJM under the 2010 Services Agreement; (ii) the existing number of gaming tables and slot machines in the Gaming Area, (iii) the impact of the coronavirus outbreak; and (iv) the expected market situation in the coming 3 years.

The directors of Emperor E Hotel and Emperor International confirm that none of the annual cap amounts set out in the respective circulars of Emperor E Hotel and Emperor International both dated 8 April 2010 for the transactions under the 2010 Services Agreement has been exceeded.

REASONS FOR AND BENEFITS OF THE 1st ADDENDUM

Emperor E Hotel is an investment holding company and its subsidiaries are principally engaged in provision of entertainment and hospitality services in Macau. Emperor E Hotel is an indirect subsidiary owned as to approximately 68.98% by Emperor International. Tin Hou is principally engaged in provision of business consultancy, management and promotion services.

Emperor International is an investment holding company and its subsidiaries are principally engaged in property investments, property development and hospitality in Greater China and overseas.

The directors of Emperor E Hotel and Emperor International (including the respective INEDs) consider that the execution of the 1st Addendum is a transaction of revenue nature and in the ordinary and usual course of business of the Groups as the 1st Addendum is a necessary component of the Groups' business. Moreover, they are of the view that the terms of the Transactions are on normal commercial terms or better, fair and reasonable and in the interests of both Emperor E Hotel and Emperor International and their respective shareholders as a whole.

None of the directors of Emperor E Hotel and Emperor International has any material interest in the Transactions and therefore none of them has abstained from voting on the respective board resolutions approving the same.

Emperor E Hotel and Emperor International confirm that the operation of Tin Hou is lawful in the relevant jurisdiction(s) and will use their best endeavours to ensure that the operation of Tin Hou will comply with the applicable laws in the relevant jurisdiction(s). Shareholders of Emperor E Hotel and Emperor International are reminded that, in accordance with the Stock Exchange's guidelines on gambling business, that if the operation of Tin Hou (i) fail to comply with the applicable laws in the jurisdiction(s) where gambling activities take place; and / or (ii) contravene the Gambling Ordinance (Chapter 148 of the Laws of Hong Kong), Emperor E Hotel and Emperor International may be considered unsuitable for listing under Rule 8.04 of the Listing Rules and the Stock Exchange may, depending on the circumstances of the case, direct both Emperor E Hotel and Emperor International to take remedial action, suspend dealings in, or may cancel the listing of, the shares of Emperor E Hotel and Emperor International pursuant to Rule 6.01(4) of the Listing Rules.

IMPLICATION OF THE LISTING RULES

SJM, through its indirect wholly-owned subsidiary, has 19.99% equity interest in Luck United, a company indirectly owned as to 80% by Emperor E Hotel which is in turn indirectly owned as to approximately 68.98% by Emperor International. Thus, SJM is a connected person at subsidiary level of both Emperor E Hotel and Emperor International and hence the Transactions constitute continuing connected transactions for both Emperor E Hotel and Emperor International under Chapter 14A of the Listing Rules.

As (i) SJM is a connected person at subsidiary level of both Emperor E Hotel and Emperor International; (ii) the directors of Emperor E Hotel and Emperor International (including the respective INEDs) have approved the Transactions; and (iii) the INEDs of Emperor E Hotel and Emperor International have confirmed the terms of the Transactions are fair and reasonable and such Transactions are on normal commercial terms or better and in the ordinary and usual course of business of the Groups and in the interests of both Emperor E Hotel and Emperor International

and their respective shareholders as a whole, the Transactions, even though one or more applicable percentage ratios (as defined in the Listing Rules) for the New Annual Cap in respect of the Transactions for both Emperor E Hotel and Emperor International exceed 5%, are only subject to announcement, annual review and reporting requirements under Chapter 14A of the Listing Rules but exempt from the circular, independent financial advice and independent shareholders' approval requirements for both Emperor E Hotel and Emperor International pursuant to Rule 14A.101 of the Listing Rules.

TERMS USED IN THIS JOINT ANNOUNCEMENT

In this joint announcement, unless the context otherwise requires, capitalised terms used shall have the following meanings:

“1 st Addendum”	the addendum to the 2010 Services Agreement entered into between Tin Hou and SJM dated 4 May 2020, regarding the continuation of the provision of the Services to SJM up to 26 June 2022
“2010 Services Agreement”	the agreement entered into between Tin Hou and SJM dated 19 February 2010, regarding the provision of the Services to SJM (as varied, modified, amended or supplemented from time to time). Details of the agreement were set out in the respective circulars of Emperor E Hotel and Emperor International both dated 8 April 2010
“connected person(s)”	has the same meaning as ascribed to it in the Listing Rules
“Emperor E Hotel”	Emperor Entertainment Hotel Limited, an exempted company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange (Stock Code: 296), which is indirectly owned as to approximately 68.98% by Emperor International
“Emperor E Hotel Group”	Emperor E Hotel and its subsidiaries
“Emperor International”	Emperor International Holdings Limited, an exempted company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange (Stock Code: 163)
“Emperor International Group”	Emperor International and its subsidiaries
“Gaming Area”	the gaming area located at the Grand Emperor Hotel
“Gaming Concession Contract”	the license contract of Macau for operation of games of fortune or chance or other casino games dated 28 March 2002 between the Macau Government and SJM, pursuant to which SJM has obtained the license rights to operate casinos in Macau from 1 April 2002 to 31 March 2020 and such rights has been extended to 26 June 2022
“Grand Emperor Hotel”	Grand Emperor Hotel, No. 288 Avenida Commercial, Macau
“Groups”	Emperor International Group and Emperor E Hotel Group
“Hong Kong”	the Hong Kong Special Administrative Region of the People's Republic of China

“INEDs”	Independent non-executive directors
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Luck United”	Luck United Holdings Limited, a limited company incorporated in the British Virgin Islands and being indirectly owned as to 80% by Emperor E Hotel
“Macau”	the Macau Special Administrative Region of the People’s Republic of China
“New Annual Cap”	the maximum amounts for the Transactions to be received by Tin Hou and the nominated gaming promoter, which is a fellow subsidiary of Tin Hou and indirectly wholly-owned by Emperor E Hotel and indirectly non wholly-owned by Emperor International, from SJM for each of the financial years ending 31 March 2021, 2022 and 2023 of both Emperor E Hotel and Emperor International
“Services”	such services (comprising management and promotion services) or obligations provided / to be provided or borne / to be borne by Tin Hou under the 2010 Services Agreement and / or the 1 st Addendum
“SJM”	Sociedade de Jogos de Macau, S.A., a company incorporated under the laws of Macau
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tin Hou”	Tin Hou Limited, a limited company incorporated in Macau and being indirectly wholly-owned by Emperor E Hotel and indirectly non wholly-owned by Emperor International
“Transactions”	the transactions contemplated under the 1 st Addendum to the 2010 Services Agreement
“HK\$”	Hong Kong dollars, being the lawful currency of Hong Kong
“%”	per cent

By order of the board
Emperor Entertainment Hotel Limited
Luk Siu Man, Semon
Chairperson

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

Hong Kong, 13 May 2020

As at the date hereof, the board of directors of Emperor E Hotel comprises:

Non-executive Director: Ms. Luk Siu Man, Semon

Executive Directors: Mr. Wong Chi Fai
Ms. Fan Man Seung, Vanessa

Independent Non-executive Directors: Mr. Yu King Tin
Ms. Kwan Shin Luen, Susanna
Ms. Lai Ka Fung, May

As at the date hereof, the board of directors of Emperor International comprises:

Non-executive Director: Ms. Luk Siu Man, Semon

Executive Directors: Mr. Wong Chi Fai
Ms. Fan Man Seung, Vanessa
Mr. Cheung Ping Keung
Mr. Yeung Ching Loong, Alexander

Independent Non-executive Directors: Ms. Cheng Ka Yu
Mr. Wong Tak Ming, Gary
Mr. Chan Hon Piu