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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)

BUSINESS UPDATE AND CONTINUING CONNECTED TRANSACTION

Whilst Emperor E Hotel previously announced on 1 April 2022 that it will cease its gaming operation with effect from 27 June 2022, it has been in negotiation about the new arrangements with SJM which will continue to run the gaming operation in the Grand Emperor Hotel from 27 June 2022 to 31 December 2022 (the “**Period**”). As such, on 15 June 2022, Tin Hou, an indirect wholly-owned subsidiary of Emperor E Hotel, entered into the Agreement with SJM for the provision of the Hotel Rooms, Catering and Ancillary Services to SJM for the gaming operation to be run by SJM in the Grand Emperor Hotel.

As 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 only 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 under the Listing Rules.

BUSINESS UPDATE

Whilst Emperor E Hotel previously announced on 1 April 2022 that it will cease its gaming operation with effect from 27 June 2022, it has been in negotiation about the new arrangements with SJM which will continue to run the gaming operation in the Grand Emperor Hotel. As such, Tin Hou, an indirect wholly-owned subsidiary of Emperor E Hotel, entered into the Agreement with SJM, pursuant to which Tin Hou will provide certain services to enable SJM to operate its gaming operation in the Grand Emperor Hotel in the Period.

** for identification purpose only*

THE AGREEMENT

On 15 June 2022, Tin Hou entered into the Agreement with SJM for the provision of the Hotel Rooms, Catering and Ancillary Services to SJM in the Grand Emperor Hotel in the Period and agreed to continue providing SJM the space of the Grand Emperor Hotel on a free of charge basis for the gaming operation to be run by SJM.

THE CAP FOR THE PERIOD AND THE BASIS OF DETERMINATION

The Cap of all the fees payable by SJM to the Groups for the provision of the Hotel Rooms, Catering and Ancillary Services under the Agreement is estimated to be not exceeding HK\$21.0 million for the Period.

The Cap is determined with reference to (i) the utility fee being agreed to be reimbursed from SJM pursuant to the Agreement; (ii) the expected Hotel Service Fee to be payable by SJM based on actual consumption and after applying discount pursuant to the fee schedule under the Agreement; and (iii) the expected market situation during the Period.

REASONS FOR AND BENEFITS OF THE TRANSACTIONS

Emperor E Hotel is an investment holding company and its subsidiaries are principally engaged in provision of hospitality services in Macau and Hong Kong. Emperor E Hotel is an indirect subsidiary owned as to approximately 71.11% 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.

SJM is a joint stock company “sociedade anónima” incorporated under the laws of Macau and a subsidiary of SJM Holdings Limited which is a company incorporated in Hong Kong, whose shares are listed on the Stock Exchange. SJM is principally engaged in gaming business in Macau and is one of the six concessionaires/ sub-concessionaires licensed to carry on casino operations in Macau.

The directors of both Emperor E Hotel and Emperor International (including their respective INEDs) consider the receipt of the utility fee and the Hotel Service Fee are revenue in nature transactions and in the ordinary and usual course of business of the Groups.

The boards of the directors of both Emperor E Hotel and Emperor International (including their respective INEDs) are of the view that the terms of the Transactions are on normal or better commercial terms, 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 both Emperor E Hotel and Emperor International has material interest in the Transactions and therefore no director has abstained from voting on the respective board resolutions approving the same.

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 71.11% by Emperor International. Thus, SJM is a connected person at subsidiary level of Emperor E Hotel and Emperor International under Chapter 14A of the Listing Rules.

As (i) SJM is a connected person at subsidiary level of Emperor E Hotel and Emperor International; (ii) the directors of both Emperor E Hotel and Emperor International (including their respective INEDs) have approved the Transactions; and (iii) the INEDs of both Emperor E Hotel and Emperor International have confirmed the terms of the Transactions are fair and reasonable and such Transactions are on normal or better commercial terms 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 Cap exceed 5% for Emperor E Hotel and exceed 1% for Emperor International, the Transactions 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:

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| “Agreement” | the agreement entered into between Tin Hou and SJM dated 15 June 2022, regarding the provision of the Hotel Rooms, Catering and Ancillary Services to SJM |
| “Cap” | the relevant cap amounts of both Emperor E Hotel and Emperor International for the fees to be received by Tin Hou from SJM for the Period |
| “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 71.11% by Emperor International |
| “Emperor E Hotel Group” | Emperor E Hotel and its subsidiaries from time to time |
| “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 from time to time |

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| “Grand Emperor Hotel” | Grand Emperor Hotel located at 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 |
| “Hotel Service Fee” | the service fee to be charged by Tin Hou for the provision of the Hotel Rooms, Catering and Ancillary Services to SJM pursuant to the Agreement |
| “Hotel Rooms, Catering and Ancillary Services” | such services or obligations to be provided or borne by Tin Hou including the provision of hotel rooms, food & beverage and other ancillary services to SJM for the gaming operation to be run by SJM in the Grand Emperor Hotel |
| “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 |
| “SJM” | SJM Resorts, 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 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, 15 June 2022

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

Independent Non-executive Directors: Mr. Wong Tak Ming, Gary
Mr. Chan Hon Piu
Mr. Chu Kar Wing