

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



**英皇集團（國際）有限公司\***  
**Emperor International Holdings Limited**

*(Incorporated in Bermuda with limited liability)*

(Stock Code: 163)



**英皇娛樂酒店有限公司\***  
**Emperor Entertainment Hotel Limited**

*(Incorporated in Bermuda with limited liability)*

(Stock Code : 296)

**CONTINUING CONNECTED TRANSACTIONS**  
**PROVISION OF SERVICES TO SOCIEDADE DE JOGOS DE**  
**MACAU, S.A. IN GAMING AREA OF GRAND EMPEROR HOTEL**

**SUMMARY**

The Directors of both EIHL and EEH are pleased to announce that on 19 February 2010, Tin Hou, an indirect wholly-owned subsidiary of EEH and an indirect non wholly-owned subsidiary of EIHL, entered into the Agreement with SJM for the provision of the Services comprising the management services and the promotion services to SJM.

SJM has a 19.99% equity interest in Luck United, a company indirectly owned as to 60% by EEH which is in turn indirectly owned as to 57.50% by EIHL. Since SJM is a substantial shareholder of a subsidiary of EIHL and EEH, SJM is a connected person of both EIHL and EEH for the purpose of the Listing Rules. Accordingly, the Agreement constitutes continuing connected transactions for both EIHL and EEH.

As the applicable percentage ratios calculated with reference to the Annual Caps exceeds 2.5% and the consideration on annual basis exceeds HK\$10 million, the Agreement and the Annual Caps are subject to reporting, announcement and independent shareholders' approval requirements set out in Chapter 14A of the Listing Rules for each of EIHL and EEH.

For EIHL, so far as EIHL is aware having made all reasonable enquiries, no shareholder of EIHL has a material interest in the Agreement and is required to abstain from voting on the resolution to approve the Agreement. Charron is the controlling shareholder of EIHL currently holding 1,071,331,364 shares in EIHL (representing approximately 54.43% of the issued share capital of EIHL) and would not be required to abstain from voting if a physical meeting for approval of the Agreement and Annual Caps were to be convened. Charron has given a written approval for EIHL on the Agreement and the Annual Caps. Pursuant to Rule 14A.43

of the Listing Rules, EIHL has made an application to the Stock Exchange applying for a waiver that the approval of the Agreement and the Annual Caps be approved by written shareholders' approval in lieu of holding a physical shareholders' meeting.

For EEH, a SGM will be convened for its independent shareholders to approve the Agreement and the Annual Caps. SJM and its associates, including Honour State International Limited, which is an indirect wholly-owned subsidiary of SJM Holdings Limited and currently holding 31,950,000 shares in EEH (representing approximately 2.47% of the issued share capital of EEH), will abstain from voting in the SGM.

In accordance with Rule 14A.35(1) of the Listing Rules, an independent financial adviser will be appointed to opine as to whether the duration of the Agreement, which exceeds three years, constitutes a special circumstance under Rule 14A.35(1) of the Listing Rules, is required for the nature of this transaction; and whether it is normal business practice to enter into contracts of this type to be of such duration.

Circulars containing, among other things, further information of the details of the Agreement together with the Annual Caps, letters from independent board committee of each of EIHL and EEH containing their respective recommendations to the respective independent shareholders of EIHL and EEH; and a letter from the independent financial adviser containing its advice to the respective independent board committees of EIHL and EEH and the respective independent shareholders of EIHL and EEH as well as the notice of SGM of EEH will be despatched to the shareholders of EIHL and EEH respectively as soon as practicable.

## **THE AGREEMENT**

The Directors of both EIHL and EEH are pleased to announce that on 19 February 2010, Tin Hou, an indirect wholly-owned subsidiary of EEH and an indirect non wholly-owned subsidiary of EIHL, entered into the Agreement with SJM for the provision of the Services comprising the management services and the promotion services to SJM.

**Date** : 19 February 2010

**Parties** : (i) Tin Hou, a company incorporated in Macau and is an indirect wholly-owned subsidiary of EEH and an indirect non wholly-owned subsidiary of EIHL

(ii) 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.

**Terms** : from 1 October 2009 to termination

**Subject** : Tin Hou will provide SJM the Services, comprising the following:

- (i) to provide the floor areas of the Grand Emperor Hotel for the Gaming Area operating by SJM;
- (ii) to manage, decorate and renovate the Gaming Area and related facilities in the Grand Emperor Hotel;
- (iii) to purchase selected gaming equipments from SJM;
- (iv) to bear all cost of purchasing, maintaining and repairing the gaming equipments including gaming tables, slot machines and other necessary equipments installed in the Gaming Area;
- (v) to bear all necessary operational expenses in relation to the operation of the Gaming Area including all salary and expenses with staff; and
- (vi) to handle the promotion, marketing, customer service and events coordination of the Gaming Area.

**Entitlement of Tin Hou** : In consideration for the provision of Services, Tin Hou together with the nominated junket promoter which is a fellow subsidiary of Tin Hou and wholly owned by EEH shall be entitled to a share of the gross win and gross loss in respect of the monthly operating performance of the Gaming Area.

The Entitlement of Tin Hou for the Services is determined after arm's length negotiation between Tin Hou and SJM.

**Termination** : During the service period, the Agreement will be terminated on the occurrence of the following events:

- (i) on the expiration of SJM's gambling license under the Gaming Concession Contract on 31 March 2020 or any earlier termination thereof; or

- (ii) winding up or cessation of business of either party.

In addition, the Agreement may be terminated by either party giving 21 days notice to the other who is in default of the terms of the Agreement.

The Agreement is subject to the approval from the government of Macau.

#### **ANNUAL CAPS OF THE AGREEMENT**

It is proposed that the Annual Cap amounts for each of the financial years ending from 31 March 2010 to 2020 will not exceed the following:

<b>Annual Cap amounts for financial years ending 31 March</b>	<b>Entitlement of Tin Hou <i>HK'000</i></b>
2010	572,750 (from 1 October 2009)
2011	1,578,000
2012	2,059,000
2013	2,693,000
2014	2,952,000
2015	3,236,000
2016	3,559,000
2017	3,894,000
2018	4,273,000
2019	4,689,000
2020	5,160,000

The Annual Cap amounts are determined with reference to (i) previous gross win from the gaming segment of the EEH Group; (ii) the existing number of gaming tables and slot machines in the Gaming Area; (iii) the potential plan for the development of gaming business of the EEH Group; and (iv) the potential inflation in Macau.

#### **REASONS FOR AND BENEFITS OF THE AGREEMENT**

EIHL is an investment holding company and its subsidiaries are principally engaged in property investment and development. EIHL Group is also holding 57.50% shareholding interest in EEH.

EEH is an investment holding company and its subsidiaries are principally engaged in gaming operations and provision of entertainment and hospitality services in Macau and development of a commercial property in Shanghai.

SJM is a company incorporated under the laws of Macau and owned as to 10% by Dr. Ho Hung Sun, Stanley and 90% by 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.

Tin Hou, a company incorporated in Macau and is an indirect wholly-owned subsidiary of EEH and an indirect non wholly-owned subsidiary of EIHL, is principally engaged in the business consultancy, management and promotion. The provision of the Services to SJM is a transaction of revenue nature and in the ordinary and usual course of business of EIHL and EEH. The entering into the Agreement is in line with the EEH Group's principal activities and allows the EEH Group to have a secure arrangement of the Gaming Area's operation.

The board of the directors of both EIHL and EEH (save for the independent non-executive directors of both EIHL and EEH who would reserve their views until receipt of the letter of advice from the independent financial adviser) are of the view that the terms of the Agreement are fair and reasonable and that they are on normal commercial terms, in the ordinary and usual course of business both of the EIHL Group and EEH Group and in the interests of the both of EIHL and EEH and their respective shareholders as a whole.

**Both EIHL and EEH will use their best endeavours to ensure that the operation of Tin Hou will comply with the applicable laws in the relevant jurisdictions. Shareholders of EIHL and EEH are reminded that, in accordance with the Stock Exchange's guidelines on gambling business, that if the operation of Tin Hou does not comply with applicable laws in the relevant jurisdictions, the Stock Exchange may, depending on the circumstances of the case, direct both EIHL and EEH to take remedial action, and/or may suspend dealings in, or may cancel the listing of, the shares of EIHL and EEH under Rule 6.01 of the Listing Rules.**

#### **IMPLICATION OF THE LISTING RULES**

SJM has a 19.99% equity interest in Luck United, a company indirectly owned as to 60% by EEH which is in turn indirectly owned as to 57.50% by EIHL. Tin Hou is an indirect wholly-owned subsidiary of EEH and an indirect non wholly-owned subsidiary of EIHL. Since SJM is a substantial shareholder of a subsidiary of EIHL and EEH, SJM is a connected person of both EIHL and EEH for the purpose of the Listing Rules. Accordingly, the Agreement constitutes continuing connected transactions for both EIHL and EEH.

As the applicable percentage ratios calculated with reference to the Annual Caps exceeds 2.5% and the consideration on annual basis exceeds HK\$10 million, the Agreement and the Annual Caps are subject to reporting, announcement and the independent shareholders' approval requirements set out in Chapter 14A of the Listing Rules for each of EIHL and EEH.

For EIHL, so far as EIHL is aware having made all reasonable enquiries, no shareholder of EIHL has a material interest in the Agreement and is required to abstain from voting on the resolution to approve the Agreement. Charron is the controlling shareholder of EIHL currently holding 1,071,331,364 shares in EIHL (representing approximately 54.43% of the issued share capital of EIHL) and would not be required to abstain from voting if a physical meeting for approval of the Agreement and Annual Caps were to be convened. Charron has given a written approval for EIHL on the Agreement and the Annual Caps. Pursuant to Rule 14A.43 of the Listing Rules, EIHL has made an application to the Stock Exchange applying for a waiver that the approval of the Agreement and the Annual Caps be approved by written shareholders' approval in lieu of holding a physical shareholders' meeting.

For EEH, a SGM will be convened for its independent shareholders to approve the Agreement and the Annual Caps. SJM and its associates, including Honour State International Limited which is an indirect wholly-owned subsidiary of SJM Holdings Limited and currently holding 31,950,000 shares in EEH (representing approximately 2.47% of the issued share capital of EEH), will abstain from voting in the SGM.

In accordance with Rule 14A.35(1) of the Listing Rules, an independent financial adviser will be appointed to opine as to whether the duration of the Agreement, which exceeds three years, constitutes a special circumstance under Rule 14A.35(1) of the Listing Rules, is required for the nature of this transaction; and whether it is normal business practice to enter into contracts of this type to be of such duration.

## **GENERAL**

Circulars containing, among other things, further information on the details of the Agreement together with the Annual Caps, letters from independent board committee of each of EIHL and EEH containing their respective recommendations to the respective independent shareholders of EIHL and EEH; and a letter from the independent financial adviser containing its advice to the respective independent board committees of EIHL and EEH and the respective independent shareholders of EIHL and EEH as well as the notice of SGM of EEH will be despatched to the shareholders of EIHL and EEH respectively as soon as practicable.

## **TERMS USED IN THIS ANNOUNCEMENT**

In this announcement, the following expressions have the meaning set out below unless the context requires otherwise:

“Agreement”	the agreement entered into between Tin Hou and SJM dated 19 February 2010, regarding the provision of the Services comprising the management services and the promotion services to SJM
-------------	-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

“Annual Cap(s)”	the relevant cap amount of both EIHL and EEH for all transactions contemplated under the Agreement to be received by Tin Hou and the nominated junket promoter which is fellow subsidiary of Tin Hou and wholly owned by EEH from SJM for each of the financial years ending 31 March 2020
“associate”	has the same meaning as ascribed to it in the Listing Rules
“AY Trust”	The Albert Yeung Discretionary Trust (of which Dr. Yeung Sau Shing, Albert is the founder), a deemed substantial shareholder of EIHL, the eligible beneficiaries of which are family members of Dr. Yeung Sau Shing, Albert
“Charron”	Charron Holdings Limited, a company incorporated in the British Virgin Islands and indirectly wholly-owned by the AY Trust, the trustee of which is STC International Limited
“connected person”	has the same meaning as ascribed to it in the Listing Rules
“EEH”	Emperor Entertainment Hotel Limited, an exempted company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange
“EEH Group”	EEH and its subsidiaries
“EIHL”	Emperor International Holdings Limited, an exempted company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange
“EIHL Group”	EIHL and its subsidiaries
“Gaming Area”	the gaming area located at the Grand Emperor Hotel, No. 288 Avenida Commercial, Macau
“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 for 18 years from 1 April 2002 to 31 March 2020

“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Luck United”	Luck United Holdings Limited, a company incorporated in the British Virgin Islands with limited liability and being indirectly owned as to 60% by EEH
“Macau”	the Macau Special Administrative Region of the People’s Republic of China
“Services”	such services or obligations to be provided or borne by Tin Hou under the Agreement comprising the management services and the promotion services to SJM
“SGM”	special general meeting of EEH to be convened for approving the Agreement together with the Annual Cap of EEH
“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 company incorporated in Macau and is indirectly wholly-owned by EEH and indirectly non wholly-owned by EIHL
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	Per cent

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

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

Hong Kong, 19 February 2010

*As at the date hereof, the board of directors of EIHL comprised:*

*Non-executive Director :* Ms. Luk Siu Man, Semon (*Chairperson*)

*Executive Directors:* Mr. Wong Chi Fai (*Managing Director*)  
Ms. Fan Man Seung, Vanessa (*Managing Director*)  
Mr. Cheung Ping Keung  
Ms. Mok Fung Lin, Ivy

*Independent Non-executive Directors:* Mr. Chan Man Hon, Eric  
Mr. Liu Hing Hung  
Mr. Law Ka Ming, Michael

*As at the date hereof, the board of directors of EEH comprised:*

*Non-executive Director:* Ms. Luk Siu Man, Semon (*Chairperson*)

*Executive Directors:* Mr. Wong Chi Fai  
Ms. Fan Man Seung, Vanessa  
Ms. Mok Fung Lin, Ivy

*Independent Non-executive Directors:* Ms. Chan Sim Ling, Irene  
Ms. Wan Choi Ha  
Ms. Chan Wiling, Yvonne

\* *for identification purposes only*