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

(Incorporated in Bermuda with limited liability)

(Stock Code: 296)

**(1) NOTICE OF ANNUAL GENERAL MEETING
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**

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 10:30 a.m. is set out from pages AGM-1 to AGM-5 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 10:30 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

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

“Acceptance Date”	the date upon which an offer for a Share Option must be accepted by the relevant Eligible Participant, being a date within 28 days inclusive of and from the Offer Date
“Adoption Date”	the date of approval and adoption of the New Share Option Scheme by the Shareholders
“AGM”	the 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 10:30 a.m., or where the context so admits, any adjournment thereof
“Board”	the board of Directors of the Company
“Business Day(s)”	day(s) on which the Stock Exchange is open for the business of dealing in securities
“Buy-back Mandate”	a general mandate proposed to be granted to the Directors to enable them to buy back the Shares not exceeding 10% of the total number of the Shares in issue as at the date of passing the relevant resolution at the AGM
“Buy-back Resolution”	the proposed ordinary resolution as referred to in resolution number 5(B) of the Notice of the AGM
“Bye-laws”	the bye-laws of the Company as may be amended from time to time
“Company”	Emperor Entertainment Hotel Limited, an exempted company incorporated in Bermuda with limited liability, the Shares of which are listed on the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Controlling Shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company for the time being
“Dr. Yeung”	Dr. Yeung Sau Shing, Albert
“Effective Date”	the date on which the conditions referred to in the New Share Option Scheme are fulfilled

DEFINITIONS

“Eligible Participant(s)”	any Employee Participants, Service Providers and Related Entity Participants, which the Board considers, in their sole discretion, to have contributed or will contribute to the Group
“Emperor Group”	all companies (including their respective associates) directly or indirectly controlled by various private discretionary trusts set up by Dr. Yeung
“Employee Participant(s)”	<p>(i) any employee (whether full time or part time) or director (including any executive director but excluding any non-executive director) of the Company or any Subsidiary, including persons who are granted the Share Options under the Scheme as an inducement to enter into employment contracts with these companies); and</p> <p>(ii) any non-executive directors (including independent non-executive directors) of the Company or any Subsidiaries</p> <p>as approved by the Board from time to time</p>
“Exercise Price”	in respect of any Share Option granted under the New Share Option Scheme, the subscription price for each Share payable by the Grantee on exercise of the Share Option as determined by the Board and notified to the Grantee
“Existing Scheme”	the existing share option scheme of the Company adopted on 15 August 2013
“Extension Mandate”	a general mandate proposed to be granted to the Directors to the effect that the Issue Mandate will be extended to add any Shares bought back under the Buy-back Mandate
“Grantee(s)”	any Eligible Participant who accepts the offer of the grant of a Share Option in accordance with the rules of the New Share Option Scheme or (where the context so permits) a person or persons who, in accordance with the laws of succession applicable in respect of the death of such Eligible Participant is, or are entitled to exercise the Share Option accepted by such Eligible Participant (to the extent not already exercised) in consequence of the death of such Eligible Participant

DEFINITIONS

“Group”	the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC
“Issue Mandate”	a general mandate proposed to be granted to the Directors to enable them to exercise all the powers of the Company to allot, issue or otherwise deal with new Shares not exceeding 20% of the total number of the Shares in issue as at the date of passing the relevant resolution at the AGM
“Latest Practicable Date”	16 August 2023, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Share Option Scheme” or “Scheme”	the new share option scheme proposed to be adopted by the Shareholders at the AGM
“Nomination Committee”	the nomination committee of the Company
“Notice of AGM”	the notice of AGM dated 23 August 2023 as set out from pages AGM-1 to AGM-5 of this circular
“Offer Date”	in respect of a Share Option, the date on which such Share Option is offered to any Eligible Participant
“PRC”	The People’s Republic of China
“Related Entity(ies)”	a holding company, a subsidiary or subsidiaries of the holding company or an associated company of the Company
“Related Entity Participant(s)”	any director and employee of a Related Entity who the Board considers, in its absolute discretion, have contributed or will contribute to the Group
“Remuneration Committee”	the remuneration committee of the Company

DEFINITIONS

“Scheme Limit”	the maximum number of the Shares which may be allotted and issued pursuant to the exercise of the Share Options to be granted under the New Share Option Scheme and any other share option or share award schemes of the Company which shall not in aggregate exceed of 10% of the Shares in issue as at the Adoption Date, if refreshed shall not exceed 10% of the number of the Shares in issue as at the date of approval of the refreshed limit by the Shareholders
“Service Provider(s)”	<p>person(s) who provides services to the Company or any Subsidiaries on a continuing and recurring basis in the ordinary and usual course of business of the Group, the grant of the Share Options to whom is in the interests of the long-term growth of the Group as determined by the Board, namely:</p> <ul style="list-style-type: none">(a) suppliers of service, including but not limited to, an advisor, consultant, business or joint venture partner and contractor; and(b) a person or entity that engages in construction, renovation contractor, property agency, design and/or project development work to any member of the Group, including any other service providers as required in the ordinary course of business of the Group; <p>but, for the avoidance of doubt, excluding (i) placing agents or financial advisers providing advisory services for fundraising, mergers or acquisitions of the Company or its subsidiaries, and (ii) professional service providers such as the auditors or valuers who provide assurance or are required to perform their services with impartiality and objectivity</p>
“Service Provider Sublimit”	has the same meaning as defined in paragraph 3.2 of Appendix III of this circular
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of the Company

DEFINITIONS

“Share Option(s)”	option(s) to subscribe for the Shares granted pursuant to the New Share Option Scheme and for the time being subsisting
“Share Option Period”	in respect of any particular Share Option, the period, during which a Share Option may be exercised, and in any event shall not be commenced on any day within 12 months from the date upon which such Share Option is deemed to be granted and accepted (unless the Board determine otherwise as set out in the New Share Option Scheme) or from such later commencement date as the Board may decide in respect of each Share Option and expiring on the expiry date for such Share Option as particularly set out in in the New Share Option Scheme
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary(ies)”	a subsidiary or subsidiaries (as defined under the Listing Rules) of the Company for the time being
“Takeovers Code”	the Code on Takeovers and Mergers
“%”	per cent.

LETTER FROM THE BOARD



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

(Incorporated in Bermuda with limited liability)

(Stock Code: 296)

Non-executive Director:

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

Executive Directors:

Mr. Wong Chi Fai

Ms. Fan Man Seung, Vanessa

Independent Non-executive Directors:

Ms. Kwan Shin Luen, Susanna

Ms. Lai Ka Fung, May

Mr. Yeung Man Sun

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,

INTRODUCTION

The purpose of this circular is to provide you with information regarding certain resolutions to be proposed at the AGM and to give you the Notice of AGM.

ANNUAL GENERAL MEETING

The Notice of AGM is set out from pages AGM-1 to AGM-5 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; and (C) adoption of the New Share Option Scheme. As at the Latest Practicable Date, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder is required to abstain from voting on all resolutions in relation to the above items (A) to (C) to be proposed at the AGM.

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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 the Shareholders of the results of the AGM.

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 the 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 the Shareholders is not necessary for the purpose of exercising their voting rights.

(A) RE-ELECTION OF DIRECTORS

Retirement and re-election of Directors

In accordance with Bye-laws 84(1) and 84(2) of the Bye-laws, Ms. Luk Siu Man, Semon ("Ms. Luk") and Mr. Wong Chi Fai ("Mr. Wong") shall retire by rotation at the AGM. All of them, being eligible, shall offer themselves for re-election thereat.

Details of the above Directors who offer themselves for re-election at the AGM are set out in Appendix I to this circular as required to be disclosed under the Listing Rules.

Recommendations of the Nomination Committee

The Nomination Committee had reviewed the biographical details of Ms. Luk and Mr. Wong and their meeting of nomination criteria (including but not limited to, character and integrity, professional qualifications, skills, knowledge and experience that are relevant to the Company's business and corporate strategy, enough time commitment to discharge duties as Board member) as set out in the nomination policy of the Company and considered the diversity aspects (including but not limited to, gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of services) as set out in the diversity policy of the Company, and took the view that both of them have been contributing to the Group effectively and committed to their role as Directors.

The Board accepted the recommendation by the Nomination Committee for recommending the Shareholders to re-elect Ms. Luk and Mr. Wong as Directors at the AGM. Each of them abstained from voting on the relevant resolutions at the Board meeting regarding his/her own re-election.

LETTER FROM THE BOARD

(B) GENERAL MANDATES TO ISSUE NEW SHARES AND BUY BACK SHARES

(I) General mandates granted at the last annual general meeting of the Company held on 18 August 2022 (“2022 AGM”)

At the 2022 AGM, ordinary resolutions were passed, among other things, to grant general mandates to the Directors to:

- (i) issue up to 20% of the aggregate number of Shares in issue (i.e. a maximum of 239,461,196 Shares) (“Previous Issue Mandate”);
- (ii) buy back up to 10% of the aggregate number of Shares in issue (i.e. a maximum of 119,730,598 Shares) (“Previous Buy-back Mandate”); and
- (iii) extend the Previous Issue Mandate by an additional number of Shares bought back by the Company pursuant to the Previous Buy-back Mandate.

Since the 2022 AGM, the Company had repurchased a total of 8,815,000 Shares under the Previous Buy-back Mandate, leaving a balance of 110,915,598 Shares that can be repurchased under the Previous Buy-back Mandate as at the Latest Practicable Date.

(II) Proposed refreshment of the general mandates at the AGM

The previous mandates will lapse at the conclusion of the AGM. It is therefore proposed by the Board to seek approval from the Shareholders at the AGM to grant fresh general mandates to the Directors.

As at the Latest Practicable Date, there were 1,188,490,983 Shares in issue. At the AGM, ordinary resolutions will be proposed to effect the Directors be granted:

- (A) the Issue Mandate to allot, issue and deal with the Shares of up to an aggregate of not exceeding 20% of the total number of the issued Shares as at the date of passing such resolution at the AGM (i.e. of not exceeding 237,698,196 Shares assuming no further Shares will be issued or bought back between the Latest Practicable Date and the date of the AGM);
- (B) the Buy-back Mandate to buy back the Shares of up to an aggregate of not exceeding 10% of the total number of the issued Shares as at the date of passing such resolution at the AGM (i.e. of not exceeding 118,849,098 Shares assuming no further Shares will be issued or bought back between the Latest Practicable Date and the date of AGM); and
- (C) the Extension Mandate to increase the total number of the Shares which may be allotted and issued under the Issue Mandate by an additional number of the Shares which may be bought back under the Buy-back Mandate.

Such proposed resolutions are set out in resolutions 5(A), 5(B) and 5(C) in the Notice of AGM respectively.

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An explanatory statement containing the particulars required by the Listing Rules to enable the Shareholders to make an informed decision on whether to vote for or against the proposed Buy-back Resolution is set out in Appendix II to this circular.

(C) EXPIRATION OF THE EXISTING SHARE OPTION SCHEME AND PROPOSED ADOPTION OF THE NEW SHARE OPTION SCHEME

Introduction

The Existing Scheme is due to expire in August 2023. As at the Latest Practicable Date, there was no outstanding share option granted under the Existing Scheme. The Board has no plan to grant any share options under the Existing Scheme prior to the AGM.

In view of the impending expiry of the Existing Scheme, the Company proposes to adopt the New Share Option Scheme which will take effect upon the passing of relevant ordinary resolution(s) by the Shareholders at the AGM. After adoption of the New Share Option Scheme and prior to grant of any Share Options to the Eligible Participants, the Company will apply to the Listing Committee of the Stock Exchange for the listing of and permission to deal in the new Shares to be issued upon exercise of the Share Options to be granted.

The Company has sought legal advice from its legal advisers in respect of the New Share Option Scheme and understands that whilst the New Share Option Scheme is not restricted to executives and employees of the Group, the adoption of the New Share Option Scheme would not constitute an offer to the public and the prospectus requirements under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) is not applicable.

A summary of the principal terms of the New Share Option Scheme is set out in Appendix III to this circular. Unless otherwise stated, the defined terms in Appendix III shall apply to the disclosure herein. The full terms of the New Share Option Scheme will be published on the websites of the Stock Exchange and the Company for a period of 14 days before the date of the AGM and will be made available for inspection at the AGM.

Purpose

The purpose of the New Share Option Scheme is for the Group to attract, retain and motivate talented Eligible Participants to strive for future developments and expansion of the Group. The New Share Option Scheme shall be an incentive to encourage the Eligible Participants to perform their best in achieving the goals of the Group and the Related Entities, and allow the Eligible Participants to enjoy the results of the Company attained through their efforts and contributions.

Eligible Participants

Eligible Participants include the Employee Participants, Related Entity Participants and Service Providers.

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In determining the basis of eligibility of each Eligible Participant, the Board would, on a case by case basis, take into account the experience of the Eligible Participant on the Group's business, the length of relationship of the Eligible Participant with the Group, the amount of support, assistance, guidance, advice, efforts and contribution the Eligible Participant has made or is likely to make towards the success of the Group and such other factors as the Board may at its discretion consider appropriate.

Furthermore, the Board will consider the following in determining the eligibility of each category of the Service Providers:

- (i) suppliers of service, including but not limited to, advisor, consultant, business or joint venture partner and contractor. The Group has been cooperating with SJM Resorts, S.A. ("SJM"), one of the concessionaires for the operation of games of fortune or chance in casino in Macau, as a business and joint venture partner of the Company for the operation of entertainment business in Grand Emperor Hotel. The Group has also collaborated with advisors or consultants who provide services to (a) introduce, source, explore prospective business partners or projects or business opportunities to the Group such as collaborating with online and offline travel agencies for potential joint promotions program and other cross-selling opportunities for the hospitality business of the Group or provision of event sponsorship and hosting service for both governmental or commercial events; (b) formulate marketing and promotion plan in relation to the Group's entertainment and hospitality business for the purpose to attract tourists to stay and consume in the Group's hotels; (c) provide advisory services as required by the Group from time to time; and (d) provide other consultancy services as may be required by the Group on a regular or recurring basis. The Group has also engaged managers and operators as service providers who are responsible for (a) running the day-to-day operation of the Group covering all aspect of the operation; (b) setting and periodically review of the procedures and policies applicable to various operation departments; (c) through its knowledge and expertise in the field, determining the best and optimal business model for the operation from time to time; (d) planning and preparing the business to adapt to market fluctuation; (e) providing manpower to fulfill the task of general management of the operation; and (f) providing such other duties and services as necessary for supervision, maintenance, control, management and operation of the Group's business and/or as reasonably required by the Group. They are contributing their all-round specialized skills, knowledge and understanding in their industry and can provide tailor-made, efficient, time-saving and yet high quality services to the Group's entertainment and hospitality business on a continuing and recurring basis in its ordinary and usual course of business.

When considering eligibility of the Service Providers under this category, the Board will consider, amongst others: (1) the potential and/or actual scale and degree of cooperation with the Group; (2) the length of business relationship with the Group; (3) the potential and/or actual contribution to the Group's revenue or profits attributable to the Service Providers; and/or (4) their knowledge and network in the industry or other relevant factors (including

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without limitation technical know-how, market competitiveness, synergy between the relevant Service Providers and the Group, external business connections, strategic value, reputation and credibility); or

- (ii) person or entity that engages in construction, renovation contractor, property agency, design and/or project development work, to any member of the Group, including any other service providers as required in the ordinary course of business of the Group that collaborate with the Group on continuing or discrete property development projects. The Group has also collaborated with persons or entity who engages in construction, renovation and project development work to the Group in relation the Group's hotels and serviced apartments from time to time. Other service providers the Company may engage with in its ordinary and usual course of business that are essential to the success of the Group's entertainment business, which includes but not limited to gaming equipment and software providers who provide maintenance and upgrade service for the gaming equipment and machineries. The Company considers their services are essential to deliver consistently satisfactory entertainment experience and top-quality services that translate into high levels of customer satisfaction and loyalty.

When considering eligibility of the Service Providers under this category, the Board will consider, amongst others: (1) the reliability and quality of the services provided; (2) the frequency, scale and nature of the services provided; (3) the length of business relationship with the Group; (4) the potential and/or actual contribution to the business affairs of the Group in terms of, including without limitation, promoting the continuing development and growth of the Group, bringing innovation, new talents and expertise to the Group and the actual or expected contribution to the Group's revenue or profits attributable to the Service Providers; and/or (5) the knowledge and network in the industry or other relevant factors (including without limitation technical know-how, market competitiveness, synergy between the relevant Service Providers and the Group, external business connections, strategic value, reputation and credibility).

The Directors (including the independent non-executive Directors) consider that, instead of solely relying on the Group's employees, it could be more cost-efficient as Service Providers have specialised expertise and equipment to complete work in an effective manner. Moreover, the Service Providers are often responsible for their own insurance, taxes, and legal compliance, which can reduce the liability and risk exposure for the Company which the Company may not be familiar with. Also, Service Providers can scale their services up or down according to the Company's needs. For instance, the Group engages external independent property management practitioner for the provision of service under the license requirement of property management practitioner (PMP) licence for the operation of serviced apartments based on its property portfolio of the Company. It is industry norm in hospitality industry to engage seasoned and licensed professional for the property management to provide with flexibility and scalability to adopt change in demand without having to hire or lay off employees.

For details in respect of the eligibility of each category of Eligible Participants, please refer to paragraph 2 in Appendix III.

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The Directors (including the independent non-executive Directors) consider that, notwithstanding that the Company did not grant any share options to its Related Entity Participants and Service Providers in the past, given that nature of the businesses of the Group has reliance on the Service Providers and the Related Entity Participants over past years, the inclusion of each of the Related Entity Participants and the proposed categories of the Service Providers are in line with the Company's business needs and the industry norm, desirable and necessary from a commercial perspective, provide the Group with flexibility to provide equity incentives (instead of expending cash resources in the form of monetary consideration) to reward their contribution and will help maintaining or enhancing the competitiveness of the Group:

- (i) For the Related Entity Participants, despite not being directly appointed or employed by the members of the Group (who would otherwise be categorised as Employee Participants), the Company acknowledges they have close corporate and collaborative relationships with the Group, and involvement in joint work projects closely connected with the Group's business. The Related Entity Participants, such as senior management of the our fellow subsidiaries and associated companies, have extensive connections in the market and have been providing support to the Group, in the form of providing advice to the Group on formulating medium to long-term business strategy, sharing their knowledge and expertise of up-to-date technologies and assisting the Group to improve production efficiency through the use of information technology. The Related Entity Participants may also contribute to the Group by providing specific knowledge on a wide spectrum of related industries in which it operates, providing guidance with respect to potential expansions into new markets and product categories based on their pre-existing expertise, which allow the Group to capture new opportunities for business development. For instance, the Group has been seeking advice from the senior management of Emperor Group in relation to (i) unifying the corporate image of all companies under Emperor Group and (ii) acting as the primary communicating channel between the Company, Emperor Group and the investors and Shareholders. The growth and development of these participants would contribute to the financial performance of the Group. Therefore, to recognise their contribution, the Company wishes to incentivise them by including them as Eligible Participants and granting the Share Options to them based on their performance, thereby further strengthening collaboration and ties with the Group. It is therefore in the interests of the Company and the Shareholders, and is in line with the objectives of the New Share Option Scheme to include the Related Entity Participants in recognition of their contribution to the Group, even though they may not be directly working as an employee or officer of the Group;
- (ii) For Service Providers, the Group has engaged different Service Providers for the provision of services in relation to the entertainment and hospitality business of the Group. These services have included advisory and consultancy services, which have been significant in the Group's business development by contributing specialised skills in relation to the Group's business operation and management advisory and consulting (but for the avoidance of doubt, excluding placing agents or financial advisers providing advisory services for fundraising, mergers or acquisition, professional service providers such as auditors or valuers who

LETTER FROM THE BOARD

provide assurance, or are required to perform their services with impartiality and objectivity). The Group may require the Service Providers to offer different types of services on a regular basis to meet the requirements of new initiatives, projects and goals and to assist with its expansion plans. In such case, the Board will determine whether the relevant Service Providers providing such services are eligible to participate in the New Share Option Scheme based on whether such services provided are in line with the Group's business need and the industry norm, desirable and necessary from a commercial perspective and help to maintain or enhance the competitiveness of the Group, having regard to the Group's key business segments and focuses from time to time.

Through the grant of the Share Options, such Eligible Participants and the Group will have a common goal in the growth and development of the Group's business, and they could participate in the future prospect of the Group and share the additional reward through their sustainable contribution which aligns with the purpose of the New Share Option Scheme.

While the Eligible Participants include non-executive Directors and independent non-executive Directors, the Company is of the view that the independence and impartiality of the independent non-executive Directors would not be affected by any possible grant of the Share Options as (i) the independent non-executive Directors must continue to comply with the independence requirement under Rule 3.13 of the Listing Rules; (ii) approval by independent Shareholders will be required if any Share Option is to be granted to independent non-executive Directors or any of their respective associate(s) would result in the total number of new Shares issued and to be issued in respect of all Share Options granted (excluding any Share Options lapsed in accordance with the terms of the New Share Option Scheme) to such person in the period of twelve (12) months up to and including the date of the grant representing in aggregate over 0.1% of the Shares in issue; and (iii) before making any grants to any independent non-executive Director, the Board will always be mindful of the recommended best practice E.1.9 of the Corporate Governance Code which recommends that issuers should generally not grant equity-based remuneration with performance-related elements to independent non-executive directors. The Directors (including the independent non-executive Directors) are of the view that the independence and impartiality of independent non-executive Directors can remain intact if the grant of Share Options is approved by independent Shareholders with the abstain from voting of the relevant independent non-executive Directors. This is because the independent Shareholders provide an additional layer of scrutiny that guarantees the independent non-executive Directors are acting in the best interests of the Company and its Shareholders. The process of seeking approval from the independent Shareholders is transparent since it involves regulatory oversight and additional disclosure by the Company. The independent Shareholders are able to engage with the Company and make enquiries about the decision in the relevant general meeting before voting.

Scheme Limit and Service Provider Sublimit

As at the Latest Practicable Date, the total number of the Shares in issue is 1,188,490,983 Shares.

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Assuming there is no change in the number of Shares in issue during the period between the Latest Practicable Date and the Adoption Date, the Scheme Limit of the New Share Option Scheme will be 118,849,098 Shares, representing 10% of the total number of the Shares in issue as at the Adoption Date, and the Service Provider Sublimit of the New Share Option Scheme will be 59,424,549 Shares, representing 5% of the total number of the issued Shares on the Adoption Date.

The basis for determining the Scheme Limit include the compliance with requirements of the Listing Rules, the potential dilution effect as a result of issue of new Shares on exercise of the Share Options which may be granted under the New Share Option Scheme, and the importance of striking a balance between achieving the purpose of the New Share Option Scheme and protecting the Shareholders from the dilution effect from granting a substantial amount of the Share Options to the Eligible Participants, the extent of use of the Service Providers in the Group's business.

In respect of the Service Provider Sublimit, the Board is of the view that the Service Provider Sublimit is appropriate and reasonable taking into account the following factors:

- (i) the potential dilution effect arising from grants to Service Providers, the importance of striking a balance between achieving the purpose of the Scheme and protecting the Shareholders from the dilution effect from granting the Share Options to the Service Providers;
- (ii) the Service Providers, including but not limited to a person or entity that engages in construction, renovation contractor, property agency, design and/or project development work to any member of the Group, are important to ensure continuous provision of valuable insights into the Group's property operation, and are critical to maintaining the competitiveness of the Group and facilitate the long-term and sustainable growth of the Group;
- (iii) the valuable and commercially irreplaceable services due to the nature of industry provided and to be provided by the Service Providers, for instance, the cooperation with SJM being one of the gaming concessionaires in Macau, in view of their unique expertise, extensive experience, tacit knowledge in the industry's dynamics and trends and ability to provide customised solutions;
- (iv) the business expansion and development needs of the Group, which may require further engagement of the Service Providers;
- (v) there are no other share schemes involving grant of options over new Shares; and
- (vi) the New Share Option Scheme could provide incentives to the Service Providers which supply reliable and high-quality services to the Group on a long-term basis.

The Service Provider Sublimit is subject to separate approval by the Shareholders at the AGM.

LETTER FROM THE BOARD

Given the above, the Board is of the view that the Scheme Limit and Service Provider Sublimit are appropriate and reasonable as it provides flexibility to grant Share Options to the Eligible Participants to achieve the purpose of the New Share Option Scheme.

Vesting period

Vesting period for the Share Options shall not be less than 12 months. To ensure the practicability in fully attaining the purpose of the New Share Option Scheme, the Board is of the view that (a) there are certain instances where a strict 12-month vesting requirement would not work or would not be fair to the Grantees, such as those set out in paragraph 10 of Appendix III to this circular; (b) there is a need for the Company to retain flexibility to reward exceptional performers with accelerated vesting or in exceptional circumstances where justified; and (c) the Company should be allowed discretion to formulate its own talent recruitment and retention strategies in response to changing market conditions and industry competition, and thus should have flexibility to impose vesting conditions such as performance-based vesting conditions instead of time-based vesting criteria depending on individual circumstances.

For the avoidance of doubt, the vesting period of the Share Options granted to the Employee Participants may be shortened upon the occurrence of triggering events set out in paragraphs 14-18 of Appendix III. The Company is of the view that a shorter vesting period in such events is appropriate due to the following reasons:

- (i) the circumstances disclosed above are specific and special and a shortened vesting period would only be triggered in those particular instances;
- (ii) in respect of paragraphs 15 and 16 of Appendix III, the purpose of the New Share Option Scheme is to grant the Share Options to the Eligible Participants who contribute to the growth, development, and success of the Group. The triggering of a shorter vesting period under the New Share Option Scheme in light of the illness, retirement or death of the Grantee who is under employment with the Company and/or any of the Subsidiaries is appropriate as the Company considers that such events should not negate his prior contributions to the Group; and
- (iii) a general offer or scheme of arrangement and compromise or arrangement of the Company under the New Share Option Scheme are circumstances that are beyond the control of the Grantee and thus such circumstances should not become an impediment to carry out the purpose of the scheme. In fact, such circumstances may incentivise the relevant Grantee to remain with the Company. This is particularly significant as the Group's accomplishments are heavily reliant on the contributions of its workforce.

LETTER FROM THE BOARD

Basis of determination of the Exercise Price

Eligible Participants to whom the Share Option(s) shall be granted, are entitled to subscribe for the number of the Shares at the Exercise Price as determined by the Board in its absolute discretion at the time of the grant of the relevant Share Options (and shall be stated in the letter containing the offer of the grant of the Share Option(s)), but in any event the Exercise Price shall be at least the highest of (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of grant of the Share Options, which must be a Business Day; (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the 5 Business Days immediately preceding the date of the grant of the Share Option(s); and (iii) the nominal value of a Share. The basis for determining the Exercise Price is also specified precisely in the requirements set out in Chapter 17 of the Listing Rules. The Directors consider that such basis will preserve the value of the Company and encourage the Eligible Participants to acquire proprietary interests in the Company.

Performance target

If and to the extent that any performance target is required to be achieved by any Grantee before a Share Option is capable of being exercised, particulars of such targets shall be specified in the offer of a Share Option. The Board may impose any conditions, restrictions or limitations in relation to the Share Options as it may at its absolute discretion think fit. If performance targets are imposed on a Grantee upon the grant of the Share Options, the Board will have regard to the purpose of the New Share Option Scheme in assessing such performance targets with reference to factors including but not limited to, as and when appropriate, (i) business performance (e.g. revenue of the Group for the relevant financial year); (ii) financial performance (e.g. net profit of the Group for the relevant financial year); (iii) market capitalisation of the Company; (iv) segments performance (e.g. revenue or profit of relevant business segment for the relevant financial year); (v) individual performance appraisal results for the relevant year (e.g. strategic driving abilities, talent development capabilities, inter-departmental cooperation capabilities, adherence to corporate culture); (vi) discipline and responsibility (e.g. punctuality, integrity, honesty or compliance with internal procedures) and/or (vii) other targets to be determined in the sole discretion of the Board, the satisfaction of which shall be assessed and determined by the Board at its sole discretion.

Such performance target will be consistent with the purpose of the New Share Option Scheme as it encourages the Eligible Participants to achieve such performance target thereby increasing the value of the Group. The Board is of the view that the New Share Option Scheme will provide the Board with flexibility in setting the performance targets which are the most appropriate taking into account the individual circumstances of the relevant Eligible Participants and therefore can facilitate the Company's aim to offer meaningful incentive to the Eligible Participants to contribute and work better for the long-term growth and profitability of the Group, and hence aligns with the purpose of the New Share Option Scheme.

LETTER FROM THE BOARD

Clawback mechanism

All Share Options granted or outstanding under this Scheme but not yet vested to or exercised by any Eligible Participants are subject to clawback, namely part or all the outstanding Share Options granted to the relevant Grantee but not yet vested or exercised may be forfeited upon occurrence of any of the events as summarised in paragraph 11 in Appendix III as the Board may at its absolute discretion think fit on a case-by-case basis.

The mechanism in place for clawback of the Share Options granted in events such as serious misconduct or material misstatement in the Company's financial statements will provide effective deterrence against undesirable behaviour by the Grantees at or outside work and safeguard the value of the Group. The Board is of the view with such clawback mechanism in place, the Company would be able to claw back the equity incentives granted to the Grantees, which is in line with the purpose of the New Share Option Scheme and the interest of the Shareholders in general.

Conditions precedent of the New Share Option Scheme

The adoption of the New Share Option Scheme is conditional upon:

- (i) the Listing Committee of the Stock Exchange granting approval of the listing of, and permission to deal in, the Shares which may be issued pursuant to the exercise of the Share Options granted under this Scheme;
- (ii) the passing of an ordinary resolution by the Shareholders to approve and adopt this Scheme and to authorise the Directors to grant the Share Options to subscribe for the Shares under this Scheme and to allot, issue and deal in the Shares pursuant to the exercise of any Share Options; and
- (iii) the compliance with applicable requirements under the Listing Rules.

If any of the conditions set out above are not satisfied within 2 calendar months after the Adoption Date:

- (a) the New Share Option Scheme shall forth with determination;
- (b) any Share Option granted or agreed to be granted pursuant to the New Share Option Scheme and any offer of such a grant shall be of no effect; and
- (c) no person shall be entitled to any rights or benefits or be under any obligations under or in respect of the New Share Option Scheme or any Share Option.

General

As at the Latest Practicable Date,

- (i) the Company has not engaged any trustee for administration of the New Share Option Scheme. If the Company is to engage any trustee in the future, such trustee will not be a Director and no Director will have any direct or indirect interest in the trustee;

LETTER FROM THE BOARD

- (ii) the Company does not have any share option scheme or share award scheme other than the Existing Scheme;
- (iii) the Company has not formulated any plan to grant the Share Options under the New Share Option Scheme and the Company will continue to assess from time to time whether there is a need to formulate such plan; and
- (iv) to the best knowledge of the Directors and having made all reasonable enquiries, no Shareholder has any material interest in the proposed adoption of the New Share Option Scheme and no Shareholder is required to abstain from voting on the resolution in relation thereto.

Application for listing

Application will be made to the Listing Committee of the Stock Exchange for the approval of the listing of, and permission to deal in, the Shares to be issued pursuant to the exercise of the Share Options granted under the New Share Option Scheme.

RESPONSIBILITY STATEMENT

This circular, for which 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 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.

RECOMMENDATION

The Directors are of the opinion that the proposed resolutions for the (A) re-election of Directors; (B) granting of Issue Mandate, Buy-back Mandate and Extension Mandate; and (C) adoption of New Share Option Scheme are in the best interests of the Company and the Shareholders as a whole. The Directors recommend the Shareholders to vote in favour of all relevant resolutions as set out in the Notice of AGM.

GENERAL INFORMATION

Your attention is also drawn to the additional information as set out in Appendix I (Details of Directors Proposed for Re-election), Appendix II (Explanatory Statement on the Buy-back Mandate), and Appendix III (Summary of the Principal Terms of the New Share Option Scheme) to this circular.

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

APPENDIX I DETAILS OF DIRECTORS PROPOSED FOR RE-ELECTION

The following are the particulars of the Directors (as required by the Listing Rules) proposed to be re-elected at the AGM:

Ms. Luk Siu Man, Semon

Non-executive Director (Chairperson)

Ms. Luk, aged 67, a Non-executive Director of the Company and the Chairperson of the Board. She joined the Company in March 2000 and provides leadership for the Board. Ms. Luk is also a non-executive director and the chairperson of Emperor International Holdings Limited (Stock Code: 163) (“Emperor International”), which is an indirect holding company of the Company. She worked in the banking industry for almost 10 years. Ms. Luk graduated from The University of Toronto with a Bachelor’s Degree in Commerce. Save as disclosed above, Ms. Luk did not hold any directorship in other public companies, the securities of which are listed on any securities market in Hong Kong or overseas in the last 3 years.

The term of service of Ms. Luk is subject to retirement by rotation at the annual general meetings of the Company at least once every 3 years in accordance with the Bye-laws and the Listing Rules. Ms. Luk does not receive any director’s fee. As at the Latest Practicable Date and within the meaning of Part XV of the SFO, Ms. Luk had a spouse interest of 851,353,645 Shares, representing approximately 71.63% of the total issued Shares, indirectly held by a private discretionary trust by virtue of being the spouse of Dr. Yeung who is the founder of such private discretionary trust and a deemed substantial and Controlling Shareholder of the Company.

Save as disclosed above, Ms. Luk does not have any relationship with any Director, senior management or substantial or Controlling Shareholder of the Company, nor does she have any interest in the Shares within the meaning of Part XV of the SFO as at the Latest Practicable Date.

Save as disclosed above, the Board is not aware of any other information that is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules or any other matters that need to be brought to the attention of the Shareholders in relation to the proposed re-election of Ms. Luk.

APPENDIX I DETAILS OF DIRECTORS PROPOSED FOR RE-ELECTION

Mr. Wong Chi Fai*Executive Director*

Mr. Wong, aged 67, an Executive Director of the Company. He joined the Company in 1991 and has been responsible for the Group's strategic planning, business growth and development and overseeing the financial management of the Group. Mr. Wong is the Chairman of the Executive Committee of the Company and a member of the Remuneration Committee as well as a director of certain Subsidiaries. He has over 30 years of finance and management experience in different businesses ranging from hotel and hospitality, property investment and development, retailing of watch and jewellery, financial and securities services, wholesaling and retailing of furniture, cinema development and operation to entertainment production and investment, artiste management as well as media and publication. Mr. Wong is currently a director of Emperor International, Emperor Watch & Jewellery Limited (Stock Code: 887), Emperor Capital Group Limited (Stock Code: 717), Emperor Culture Group Limited (Stock Code: 491), Ulferts International Limited (Stock Code: 1711) and New Media Lab Limited (Stock Code: 1284), all being listed members of Emperor Group. He is a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants and a fellow of the Association of Chartered Certified Accountants. Save as disclosed above, Mr. Wong did not hold any directorship in other public companies, the securities of which are listed on any securities market in Hong Kong or overseas in the last 3 years.

The term of service of Mr. Wong is subject to retirement by rotation at the annual general meetings of the Company at least once every 3 years in accordance with the Bye-laws and Listing Rules. Mr. Wong is entitled to receive a Director's fee of HK\$180,000 per annum which was recommended by the Remuneration Committee and determined by the Board as authorised by the Shareholders at the annual general meeting, with reference to the market rate and duties and responsibilities undertaken by him. The remuneration package of Mr. Wong was also recommended by the Remuneration Committee and determined by the Board with reference to the prevailing market conditions and based on his professional qualification, working experience and responsibilities to the Group. The amount of emoluments paid to him for the financial year ended 31 March 2023 was set out in note 10 to the consolidated financial statements in the Company's 2022/2023 Annual Report.

Mr. Wong does not have any relationship with any Director, senior management or substantial or Controlling Shareholder of the Company, nor does he have any interest in the Shares within the meaning of Part XV of the SFO as at the Latest Practicable Date.

Save as disclosed above, the Board is not aware of any other information that is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules or any other matters that need to be brought to the attention of the Shareholders in relation to the proposed re-election of Mr. Wong.

EXERCISE OF THE BUY-BACK MANDATE

As at the Latest Practicable Date, the total number of the Shares in issue was 1,188,490,983 Shares. Subject to the passing of the Buy-back Resolution and on the basis that no further Shares are issued or bought back by the Company prior to the AGM, the Company would be allowed under the Buy-back Mandate to buy back a maximum of 118,849,098 Shares (representing 10% of the total number of issued Shares) during the period from the date of the AGM up to:

- (i) the conclusion of next annual general meeting of the Company;
- (ii) 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; or
- (iii) the revocation or variation of the Buy-back Mandate by ordinary resolution of the Shareholders in general meeting of the Company,

whichever occurs first.

REASONS FOR THE BUY-BACK OF SECURITIES

The Directors believe that it is in the best interests of the Company and its Shareholders for the Directors to have a general authority from the Shareholders to enable the Company to buy back Shares in the market. Such buy-back may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value and/or the earnings per Share. Buy-back of the Shares will only be made when the Directors believe that such buy-back will benefit the Company and the Shareholders.

FUNDING OF BUY-BACK

Any buy-back will only be funded out of funds of the Company legally available for the purposes in accordance with its memorandum of association and Bye-laws and the applicable laws of Bermuda. The Company will not buy back securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time.

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in its latest published audited accounts contained in the annual report of the Company for the year ended 31 March 2023) in the event that the proposed Buy-back Mandate, if so approved, were to be exercised in full at any time during the proposed buy-back period. However, the Directors do not propose to exercise the Buy-back Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or its gearing levels, which in the opinion of the Directors, are from time to time appropriate for the Company.

APPENDIX II EXPLANATORY STATEMENT ON THE BUY-BACK MANDATE

SHARE PRICE

The highest and lowest prices at which the Shares were traded on the Stock Exchange during each of the previous 12 months up to the Latest Practicable Date were as follows:

	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2022		
August	0.475	0.435
September	0.540	0.430
October	0.540	0.405
November	0.495	0.410
December	0.600	0.435
2023		
January	0.700	0.590
February	0.640	0.590
March	0.630	0.530
April	0.600	0.560
May	0.590	0.500
June	0.550	0.500
July	0.520	0.475
August (up to and including the Latest Practicable Date)	0.520	0.470

BUY-BACK OF SHARES MADE BY THE COMPANY

No buy-back of Shares has been made by the Company (whether on the Stock Exchange or otherwise) during the six months preceding the Latest Practicable Date.

UNDERTAKING/INTENTION

None of the Directors nor, to the best of their knowledge and belief, having made all reasonable enquiries, any of their respective close associates (as defined in the Listing Rules), has any present intention to sell any Shares to the Company in the event that the Buy-back Mandate is approved by the Shareholders.

No core connected person (as defined in Listing Rules) of the Company has notified the Company of a present intention to sell any Shares to the Company nor has undertaken not to do so in the event that the Buy-back Mandate is approved by the Shareholders.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Buy-back Mandate in accordance with the Listing Rules and the applicable laws of Bermuda.

EFFECT OF TAKEOVERS CODE

If as a result of a share buy-back by the Company, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition of voting rights for the purpose of the Takeovers Code. Accordingly, a Shareholder, or group of Shareholders acting in concert, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, Emperor Entertainment Hotel Holdings Limited ("Emperor E Hotel Holdings") held 851,353,645 Shares, representing approximately 71.63% of the total issued Shares. In the event that the Directors exercise in full the power to buy back Shares which is proposed to be granted pursuant to the Buy-back Resolution, then (assuming such shareholdings as at the Latest Practicable Date otherwise remain the same) the shareholding of Emperor E Hotel Holdings in the Company would increase to approximately 79.59% of the total number of the issued Shares. The Directors consider that such an increase would not give rise to an obligation on the part of Emperor E Hotel Holdings to make a mandatory offer under Rule 26 of the Takeovers Code. However, there will be insufficient Shares in the hands of the public.

The Directors have no present intention to exercise the Buy-back Mandate to the extent as would result in the number of Shares in public hands fall below the prescribed minimum percentage of 25% of the total number of the issued Shares.

The following is a summary of the principal terms of the New Share Option Scheme proposed to be adopted at the AGM which serves to summarise the terms of the New Share Option Scheme, but does not constitute the full terms of the same.

1 PURPOSE OF THE NEW SHARE OPTION SCHEME

- 1.1 The purpose of the New Share Option Scheme is for the Group to attract, retain and motivate talented Eligible Participants to strive for future developments and expansion of the Group. The New Share Option Scheme shall be an incentive to encourage the Eligible Participants to perform their best in achieving the goals of the Group and the Related Entities, and allow the Eligible Participants to enjoy the results of the Company attained through their efforts and contributions.
- 1.2 Subject to the fulfilment of conditions of the New Share Option Scheme and paragraph 21, the New Share Option Scheme shall be valid and effective for a period of ten (10) years commencing on the Effective Date, after which period no further Share Options shall be offered but the provisions of the Scheme shall in all other respects remain in full force and effect to the extent necessary to give effect to the exercise of any Share Options granted prior thereto or otherwise as may be required in accordance with the provisions of the Scheme and the Share Options which are granted during the life of the New Share Option Scheme may continue to be exercisable in accordance with their terms of issue.

2 ELIGIBLE PARTICIPANTS OF THE NEW SHARE OPTION SCHEME AND ELIGIBILITY

- 2.1 The Directors may at their discretion make offers to any person belonging to any of the following classes of persons to take up the Share Options, subject to such conditions as the Directors may think fit:
 - (a) Employee Participants;
 - (b) Related Entity Participants; and
 - (c) Service Providers, including advisor, consultant, business or joint venture partner, contractor, a person or entity that engages in construction, renovation contractor, property agency, design and/or project development work, to any member of the Group, including any other service providers as required in the ordinary course of business of the Group.

2.2 The eligibility of each Eligible Participant shall be determined by the Board on a case-by-case basis. Generally:

- a. with respect to the Employee Participants and the Related Entity Participants,
 - (i) their skills, knowledge, experience, expertise and other relevant personal qualities;
 - (ii) their contribution made or expected to be made to the growth of the Group;
 - (iii) their educational and professional qualifications, and knowledge in the industry;
 - (iv) the period of employment with the Group; and
 - (v) such other factors as the Board may at its discretion consider appropriate;
- b. with respect to the Service Providers, the Board will consider, amongst others, the following factors (as the case may be):

Suppliers of service, including but not limited to, advisor, consultant, business or joint venture partner and contractor

- (1) the potential and/or actual scale and degree of cooperation with the Group;
- (2) the length of business relationship with the Group;
- (3) the potential and/or actual contribution to the Group's revenue or profits attributable to the Service Provider; and/or
- (4) their knowledge and network in the industry or other relevant factors (including without limitation technical know-how, market competitiveness, synergy between the relevant Service Provider and the Group, external business connections, strategic value, reputation and credibility);

A person or entity that engages in construction, renovation contractor, property agency, design and/or project development work, to any member of the Group, including any other service providers as required in the ordinary course of business of the Group:

- (1) the reliability and quality of the services provided;
 - (2) the frequency, scale and nature of the services provided;
 - (3) the length of business relationship with the Group;
 - (4) the potential and/or actual contribution to the business affairs of the Group in terms of, including without limitation, promoting the continuing development and growth of the Group, bringing innovation, new talents and expertise to the Group and the actual or expected contribution to the Group's revenue or profits attributable to the Service Provider; and/or
 - (5) the knowledge and network in the industry or other relevant factors (including without limitation technical know-how, market competitiveness, synergy between the relevant Service Provider and the Group, external business connections, strategic value, reputation and credibility).
- 2.3 The eligibility of any of the Eligible Participants shall be determined by the Board from time to time in its sole discretion and on the basis of the Board's opinion as to his actual and/or potential contribution to the development and growth of the Group and benefits to the Group.
- 2.4 To further ensure that the eligible Service Providers provide support to the Group on a continuing or recurring basis, when determining the eligibility of a Service Provider, the Board shall also give more weight to the length of business relationship with the Group and/or the frequency of transactions (as the case may be), benchmarked against other indicators mentioned in each category above and assessed on a case-by-case basis.

3 SCHEME LIMIT AND SERVICE PROVIDER SUBLIMIT

- 3.1 The total number of the Shares which may be issued upon exercise of all Share Options to be granted under the New Share Option Scheme and any other share option or share award schemes of the Company shall not in aggregate exceed 10% of the total number of the Shares in issue as at the Adoption Date, unless the Company obtains an approval from the Shareholders.

- 3.2 Within the Scheme Limit, the number of the Shares which may be issued upon exercise of all options to be granted to the Service Providers must not in aggregate exceed 5% of the total number of the Shares in issue as at the date of the Shareholders' approval of the New Share Option Scheme, which shall not be valid unless:
- (a) Service Provider Sublimit is separately approved by the Shareholders in general meeting; and
 - (b) a circular regarding the Service Provider Sublimit has been despatched to the Shareholders in a manner complying with, and containing the matters specified in, the relevant provisions of Chapter 17 of the Listing Rules (including, amongst others, the basis for determining the Service Provider Sublimit and an explanation as to why the Service Provider Sublimit is appropriate and reasonable).
- 3.3 The Company may seek approval by the Shareholders in general meeting for refreshing the Scheme Limit and the Service Provider Sublimit after three (3) years from the date of the first Shareholders' approval for such limits or for the last refreshment (as the case may be). Any refreshment within any three-year period must be approved by the Shareholders, with any Controlling Shareholders and their associates (or if there is no Controlling Shareholder, Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates) abstaining from voting in favour of the relevant resolution at the general meeting. The total number of the Shares which may be issued in respect of all options and awards to be granted under all of the share scheme(s) under the scheme mandate as refreshed must not exceed 10% of the Shares in issue as at the date of approval of the refreshed Scheme Limit.

4 GRANT OF OPTIONS TO CONNECTED PERSONS

- 4.1 Subject to paragraph 4.2, if the Board determines to offer to grant the Share Options to a Director, chief executive of the Company or substantial Shareholder or any of their respective associates, such grant shall be subject to the approval by the independent non-executive Directors (excluding an independent non-executive Director who is the relevant Eligible Participant).

4.2 Where the Board proposes to grant any Share Option to an Eligible Participant who is a substantial Shareholder or an independent non-executive Director, or any of their respective associates, and such Share Option which if exercised in full, would result in such Eligible Participant becomes entitled to subscribe for such number of the Shares, when aggregated with the total number of the Shares already issued and issuable to him or her pursuant to all Share Options granted (excluding the Share Options lapsed in accordance with the terms of the New Share Option Scheme) to him or her in the 12-month period up to and including the date of such grant representing in aggregate more than 0.1% of the relevant class of securities of the Company in issue on the date of such grant, such grant shall not be valid unless:

- (i) such grant has been duly approved, in the manner prescribed by the relevant provisions of Chapter 17 of the Listing Rules as amended from time to time, by ordinary resolution of the Shareholders in general meeting, at which the Eligible Participant concerned and his associates and all core connected persons of the Company must abstain from voting in favour at such general meeting. Any vote taken at the general meeting to approve such grant must be taken by poll;
- (ii) compliance with the requirements under the Listing Rules; and
- (iii) a circular containing the relevant details as prescribed by Chapter 17 of the Listing Rules has been despatched to the Shareholders.

4.3 Any change in the terms of any Share Option granted to an Eligible Participant who is a Director, chief executive of the Company or substantial Shareholder, or any of their respective associates shall not be valid unless:

- (i) such change has been duly approved, in the manner prescribed by the relevant provisions of Chapter 17 of the Listing Rules, as amended from time to time, by ordinary resolution of the Shareholders in general meeting, at which the relevant Eligible Participant and his associates and all core connected persons of the Company must abstain from voting in favour at such general meeting;
- (ii) compliance with the requirements under the Listing Rules; and
- (iii) a circular containing the relevant details as prescribed by Chapter 17 of the Listing Rules has been despatched to the Shareholders,

if the initial grant of the Share Options requires such approval (except where the changes take effect automatically under the existing terms of the New Share Option Scheme).

5 PERIOD OF THE NEW SHARE OPTION SCHEME AND THE MAXIMUM ENTITLEMENT OF EACH ELIGIBLE PARTICIPANT

The Board shall, subject to and in accordance with the provisions of the New Share Option Scheme and the Listing Rules, be entitled but shall not be bound, at any time on any Business Day following the Effective Date and before the tenth anniversary of the Effective Date, to offer to grant an Share Option to any Eligible Participant whom the Board may in its absolute discretion select and subject to such conditions as set out hereto or as it may think fit provided that the maximum number of Shares in respect of which Share Options may be granted under the New Share Option Scheme to any Eligible Participant (excluding any Share Options lapsed in accordance with the terms of New Share Option Scheme) in any 12-month period up to and including the date of such grant shall not exceed 1% of the total number of Shares in issue.

6 EXERCISE PRICE

The Exercise Price will be determined by the Board at its sole discretion and notified to the Eligible Participant and shall be no less than the highest of:

- (a) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date on which a Share Option is granted, which must be a Business Day;
- (b) the average closing price of the Shares as stated in the Stock Exchange's daily quotation sheets for 5 Business Days immediately preceding the date on which a Share Option is granted; and
- (c) the nominal value of a Share.

7 ADJUSTMENT TO THE EXERCISE PRICE

In the event of any alteration in the capital structure of the Company whilst any Share Option remains exercisable, whether by way of a capitalisation issue, rights issue, consolidation, sub-division or reduction of the share capital of the Company or otherwise howsoever in accordance with legal requirements and requirements of the Stock Exchange, excluding any alteration in the capital structure of the Company as a result of an issue of the Shares pursuant to, or in connection with, any share option scheme, share appreciation rights scheme or any arrangement for remunerating or incentivising any employee, consultant or adviser to the Company or any employee, consultant or adviser to the Group or in the event of any distribution of the Company's legal assets to its Shareholders on a pro rata basis (whether in cash or in specie) other than dividends paid out of the net profits attributable to its Shareholders for each financial year of the Company, such corresponding alterations (if any) shall be made to:

- (a) the number of the Shares subject to the Share Option so far as unexercised;
- (b) the Exercise Price or any combination thereof, as an independent financial adviser or the auditor of the Company shall certify in writing, either generally or as regards any particular Grantee, to have, in their opinion, fairly and reasonably satisfied the

requirement that any such adjustment shall be in compliance with the relevant provisions of the Listing Rules or such other guidelines or the supplemental guidance as may be issued by the Stock Exchange from time to time, but no such adjustments shall be made to the extent that a Share would be issued at less than its nominal value; or

- (c) the maximum number of the Shares as stated in paragraph 3 above.

8 RESTRICTIONS ON THE TIME OF GRANT OF SHARE OPTIONS

No grant of the Share Option shall be made after inside information has come to the Company's knowledge until the Company has announced the information pursuant to the requirements of the Listing Rules. In particular, and subject to the Listing Rules as amended from time to time, the Company shall not make any grant of the Share Option during the period of one month immediately preceding the earlier of (a) the date of the board meeting (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of the Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and (b) the deadline for the Company to publish an announcement of its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules), and ending on the date of the results announcement. The period during which no Share Option may be granted will cover any period of delay in the publication of results announcement. No grant of Share Option to be made to any Eligible Participant who is a Director during the periods or times in which the Directors are prohibited from dealing in the Shares pursuant to the "Model Code for Securities Transactions by Directors of Listed Issuers" prescribed by the Listing Rules or any corresponding code or securities dealing restrictions adopted by the Company.

9 ACCEPTANCE OF SHARE OPTION AND EXERCISE OF SHARE OPTIONS

- 9.1 A Share Option may be accepted by the Eligible Participant within 28 days inclusive of and from the Offer Date.
- 9.2 Offer of a Share Option shall be deemed to have been accepted by the Grantee when the duplicate of the relevant offer letter comprising acceptance of the Share Option duly signed by the Grantee together with a remittance in favour of the Company of HK\$1.00 by way of consideration or the grant thereof, is received by the Company by the Acceptance Date.
- 9.3 A Share Option may be exercised in accordance with the terms of the New Share Option Scheme and such other terms and conditions upon which a Share Option was granted, at any time during the Share Option Period but in any event, not longer than 10 years from the date of grant.

10 VESTING PERIOD

The vesting period for the Share Options to be granted under the New Share Option Scheme, which in any event shall not be less than 12 months unless provided that where the Grantee is (i) an Employee Participant who is a Director or a senior manager, the Remuneration Committee may, or (ii) an Employee Participant who is not a Director or a senior manager, the Board may, in its sole discretion, determines to grant a shorter period under specific circumstances which are considered on a case-by-case basis as set out below:

- (a) the grant of performance-based options (in lieu of time-based options);
- (b) the grant of compensatory options to the Employee Participant whose options being forfeited when leaving their previous employers to join the Group;
- (c) the grant of options in batches during a year for administrative and compliance reasons;
- (d) the grant of the Share Options with a mixed or accelerated vesting schedule such as where the Share Options may vest evenly over a period of 12 months; and
- (e) where there is an occurrence of any one of the triggering events set out in paragraphs 14-18 below.

11 PERFORMANCE TARGET AND CLAWBACK MECHANISM

11.1 Unless otherwise determined by the Board and specified in the offer letter at the time of the offer of the Share Option, there are no performance targets that need to be achieved by the Grantee before a Share Option could be exercised. Subject to the provisions of the New Share Option Scheme and the Listing Rules, the Board may when making the offer of the Share Options impose any conditions, restrictions or limitations in relation to the Share Option as it may at its absolute discretion think fit.

11.2 All Share Options granted or outstanding under the New Share Option Scheme but not yet vested to or exercised by any Eligible Participants are subject to clawback upon occurrence of any of the events as set out below as the Board may at its absolute discretion think fit on a case-by-case basis:

- (i) there being a material misstatement in the audited financial statements of the Company that requires a restatement;
- (ii) the Grantee having been convicted of any criminal offence involving his or her integrity or honesty;
- (iii) the Grantee having engaged in persistent or serious misconduct;

- (iv) the Grantee appears either to be unable to pay or have no reasonable prospect to pay debts, or has become insolvent, or has made any arrangements or composition with his or her creditors generally; and/or
- (v) any such other circumstances to be determined in the sole discretion of the Board (or the Remuneration Committee where the arrangements relate to grants of Share Options to the Directors and/or senior managers of the Company) from time to time.

12 VOTING RIGHTS AND RANKING OF SHARES

The Shares to be allotted upon the exercise of a Share Option shall not carry voting rights until completion of the registration of the Grantee (or any other person) as the holder thereof. Subject to as aforesaid, the Shares to be allotted and issued upon the exercise of a Share Option will be subject to all the provisions of the Bye-laws of the Company for the time being in force and will rank *pari passu* with the fully paid Shares in issue as from the date of the allotment of the Shares and in particular will entitle the holders to participate in all dividends or other distributions paid or made on or after the date of the allotment of the Shares other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date thereof is before the date of the allotment of the Shares. The Share Options itself shall not carry voting rights and shall not entitle any dividends or other distributions paid.

13 TRANSFERABILITY OF SHARE OPTIONS

A Share Option shall be personal to the Grantee and shall not be assignable and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest (legal or beneficial) in favour of any third party over or in relation to any Share Option or attempt so to do (save for where a waiver is granted from the Stock Exchange for the benefit of the Eligible Participant and his family members that would continue to meet the purpose of the New Share Option Scheme and comply with other requirements of Chapter 17 of the Listing Rules). Any breach of the foregoing shall entitle the Company to cancel any outstanding Share Option or any part thereof granted to such Grantee.

14 RIGHTS ON CEASING EMPLOYMENT

If the Grantee is under employment with the Company and/or any of the Subsidiaries and/or the Related Entity, in the event of the Grantee ceasing to be an Eligible Participant for the reason of such Grantee's resignation from the employment of the Company or of any of the Subsidiaries or the Related Entity or the termination of his or her employment by the Company or the relevant Subsidiary or the Related Entity or the expiry of his or her employment with the Company or the relevant Subsidiary or the Related Entity other than the termination of his or her employment on one or more of the grounds specified in paragraph 19(e) or the Related Entity ceasing to be a Related Entity, and subject to paragraph 19(a) the Grantee may exercise the Share Option up to his entitlement at the date of cessation (to the extent exercisable as at the date of cessation and not already exercised) for a period of time as the Board may determine following the date of such cessation, which date shall be the last actual working day with the Company and/or any of the Subsidiaries whether salary is paid in lieu of notice or not, failing which it will lapse provided that in any such case, the Directors in their absolute discretion may otherwise determine subject to such conditions or limitations as the Directors may decide.

Notwithstanding any contrary provisions in the foregoing paragraph, the vesting period for non-Employee Participants shall not be less than 12 months.

15 RIGHTS ON ILL-HEALTH OR RETIREMENT

If the Grantee is under employment with the Company and/or any of the Subsidiaries, in the event of the Grantee ceasing to be an Eligible Participant for the reason of his or her ill-health or retirement, the Grantee may, subject to paragraph 19(a), exercise the Share Option up to his entitlement at the date of cessation (to the extent exercisable as at the date of cessation and not already exercised) for such a period of time as the Board may determine following the date of such cessation, which date shall be the last actual working day with the Company and/or any of the Subsidiaries whether salary is paid in lieu of notice or not, failing which it will lapse provided that in any such case, the Directors in their absolute discretion may otherwise determine subject to such conditions or limitations as the Directors may decide.

Notwithstanding any contrary provisions in the foregoing paragraph, the vesting period for non-Employee Participants shall not be less than 12 months.

16 RIGHTS ON DEATH

If the Grantee dies before exercising the Share Options in full and none of the events which would be a ground for termination of the Grantee's employment or directorship under paragraph 19(e) arises, the personal representative(s) of the Grantee shall, subject to paragraph 19(a), be entitled to exercise the Share Options up to the entitlement of such Grantee at the date of death (to the extent exercisable as at the date of his death and not already exercised) within a period of 12 months or such longer period as the Board may determine from the date of death, failing which it will lapse provided that in any such case, the Directors in their absolute discretion may otherwise determine subject to such conditions or limitations as the Directors may decide.

Notwithstanding any contrary provisions in the foregoing paragraph, the vesting period for non-Employee Participants shall not be less than 12 months.

17 RIGHTS ON A GENERAL OFFER

If a general or partial offer, whether by way of take-over offer, share repurchase offer, or scheme of arrangement or otherwise in like manner is made to all the holders of the Shares, or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert with the offeror, the Company shall use all reasonable endeavours to procure that such offer is extended to all the Grantees on the same terms, with appropriate changes; and assuming that they will become, by the exercise in full of the Share Options granted to them, the Shareholders. If such offer becomes or is declared unconditional or such scheme of arrangement is formally proposed to the Shareholders, a Grantee shall be entitled to exercise his option (to the extent not already exercised) to its full extent or to the extent specified in the Grantee's notice to the Company in exercise of his option at any time thereafter and up to the close of such offer (and any revised offer) or the record date for entitlements under the scheme of arrangement, as the case may be. Subject to the above, a Share Option shall lapse automatically and not be exercisable (to the extent not already exercised) on the expiry of the period referred to above.

Notwithstanding any contrary provisions in the foregoing paragraph, the vesting period for non-Employee Participants shall not be less than 12 months.

18 RIGHTS ON WINDING UP

In the event a notice is given of a general meeting at which a resolution will be proposed for the voluntary winding-up of the Company, the Company shall forthwith give notice thereof to all the Grantees (together with a notice of the existence of the provisions of this paragraph) on the same day as it gives notice (such notice to be received by the Company not later than four (4) Business Days prior to the proposed general meeting of the Company) of the general meeting of the Company to the Shareholders and any Grantee may by notice in writing to the Company accompanied by a remittance of the full amount of the aggregate Exercise Price for the Shares in respect of which the notice is given exercise the Share Option (to the extent not already exercised) either to its full extent or to the extent specified in such notice and the Company shall as soon as possible and in any event no later than the Business Day immediately prior to the date of the proposed general meeting of the Company, allot and issue such number of the Shares to the Grantee which falls to be issued on such exercise of the Share Option credited as fully paid and register the Grantee as holder thereof. Subject to the above, a Share Option shall lapse automatically and not be exercisable (to the extent not already exercised) on the expiry of the period referred to above.

Notwithstanding any contrary provisions in the foregoing paragraph, the vesting period for non-Employee Participants shall not be less than 12 months.

19 LAPSE OF SHARE OPTION

A Share Option shall lapse automatically and not be exercisable (to the extent not already exercised) on the earliest of:

- (a) the expiry date relevant to the Share Option;
- (b) the expiry of any of the periods referred to in paragraphs 14 to 16;
- (c) the date on which the offer (or as the case may be, revised offer) referred to in paragraph 17 closes or the record date for entitlements referred to in paragraph 17, as the case may be;
- (d) subject to paragraph 18, the date of commencement of the winding-up of the Company;
- (e)
 - (i) with respect to an Employee Participant or Related Entity Participant, the date on which the Grantee ceases to be an Eligible Participant by reason of the termination of his or her employment or directorship on the grounds that he or she has been guilty of misconduct, or appears either to be unable to pay or have no reasonable prospect to pay debts, or has become insolvent, or has made any arrangements or composition with his or her creditors generally, or has been convicted of any criminal offence involving his or her integrity or honesty, or such other factors as specified under the Listing Rules or considered by the Board from time to time. A resolution of the Board to the effect that the employment of a Grantee has or has not been terminated on one or more of the grounds specified in this paragraph shall be conclusive;
 - (ii) with respect to a Service Provider, the Grantee ceases to be a service provider of the Company or any of the Subsidiaries or the business relationship between the Grantee and the Company or any of the Subsidiaries has been terminated, or such other factors as specified under the Listing Rules or considered by the Board from time to time;
- (f) the date on which the Board shall exercise the Company's right to cancel the Share Options at any time after the Grantee commits a breach of paragraph 13 or the Share Options are cancelled in accordance with paragraph 20;
- (g) the date on which the Eligible Participant ceases to be employed by the Company and/ or any of the Subsidiaries (including his or her death or retirement) if the Eligible Participant is an employee of the Company and/ or any of the Subsidiaries and ceases to be so employed by the Company and/ or any of the Subsidiaries unless the Board has expressly determined a later date under paragraphs 14 to 16; or

- (h) if the Directors at their absolute discretion determine that the Grantee (other than an employee) or his or her associate has committed any breach of any contract entered into between the Grantee or his or her associate on the one part and the Group on the other part, the Directors shall determine that the outstanding Share Options granted to the Grantee shall lapse. In such event, his or her Share Options will lapse automatically and will not in any event be exercisable on or after the date on which the Directors have so determined.

20 CANCELLATION OF SHARE OPTIONS

- 20.1 The Board may at any time at its absolute discretion to cancel any Share Option previously granted to, but not exercised by the Grantee.
- 20.2 No compensation shall be payable to the Grantee for cancellation of the Share Options granted but not exercised. A Share Option shall lapse automatically and not be exercisable (to the extent not already exercised) on the date on which the Share Option is cancelled by the Board as provided above.
- 20.3 Where the Board cancels the Share Options and makes a new grant to the same Grantee, such new grant may only be made under the New Share Option Scheme with available Scheme Limit and Service Provider Sublimit approved by the Shareholders as mentioned in paragraph 3 above. The Share Options cancelled will be regarded as utilised for the purpose of calculating the Scheme Limit and the Service Provider Sublimit.

21 TERMINATION OF THE NEW SHARE OPTION SCHEME

- 21.1 The Company by resolution in a general meeting of the Company or the Board may at any time resolve to terminate the operation of the New Share Option Scheme and in such event no further Share Options shall be offered but the provisions of the New Share Option Scheme shall remain in force to the extent necessary to give effect to the exercise of any Share Option granted prior thereto or otherwise as may be required in accordance with the provisions of the New Share Option Scheme and the Share Option granted but not yet exercised or in respect of which the Shares are not yet issued to the Eligible Participant prior to such termination shall continue to be valid and exercisable in accordance with the New Share Option Scheme.
- 21.2 Details of the Share Options granted, including the Share Options exercised or outstanding, under the New Share Option Scheme, and (if applicable) the Share Options that become void and non-exercisable as a result of the termination, shall be disclosed in the circular to the Shareholders seeking approval of a new share option scheme to be established after the Scheme or refreshment of the Scheme Limit after such termination.

22 ALTERATION

- 22.1 Subject to paragraph 22.2, the Board may from time to time in its absolute discretion waive or amend any terms of the New Share Option Scheme at such time and in such manner as they deem desirable to the extent permissible under the provisions of the Listing Rules in relation to the New Share Option Scheme and all applicable laws in respect thereof.
- 22.2 For the avoidance of doubt, except with the prior approval of the Shareholders in general meeting (with the Eligible Participants and their respective associates abstaining from voting), the Board may not amend:
- (a) the terms and conditions of the New Share Option Scheme which are of a material nature or any of the provisions of the New Share Option Scheme relating to matters contained in Rule 17.03 of the Listing Rules to the advantage of the Eligible Participants or Grantees; and
 - (b) any provisions on the authority of the Board in relation to any alteration to the terms of the New Share Option Scheme.
- 22.3 Any change to the terms of Share Options granted to an Eligible Participant must be approved by the Board, the Remuneration Committee, the independent non-executive Directors and/or the Shareholders (as the case may be) if the initial grant of the options was approved by the Board, the Remuneration Committee, the independent non-executive Directors and/or the Shareholders, (as the case may be). This requirement does not apply where the alterations take effect automatically under the existing terms of the New Share Option Scheme.
- 22.4 No such amendments shall be altered to the advantage of the Grantees except with the prior approval of the Shareholders in general meeting (with Eligible Participants and their respective associates abstained from voting). No such alterations shall operate to affect adversely the terms of issue of any Share Option granted or agreed to be granted prior to such alterations except with the consent or sanction in writing of such majority of the Grantees as would be required of the Shareholders under the Bye-laws for the time being of the Company for a variation of the rights attached to the Shares, provided that this restriction should not apply to any amendment made by the Board at the request of the Stock Exchange or other regulatory body for the purpose of ensuring that the New Share Option Scheme complies with, among other applicable laws, the requirements of such exchange or other regulatory body on which the Shares are in the course of being listed or from time to time listed or which may have or exercise regulatory powers or jurisdiction in relation to the Company.
- 22.5 The amended terms of the New Share Option Scheme or the Share Options must comply with Chapter 17 of the Listing Rules and shall automatically take effect on all outstanding Share Options.

NOTICE OF ANNUAL GENERAL MEETING



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

(Incorporated in Bermuda with limited liability)

(Stock Code: 296)

NOTICE IS HEREBY GIVEN that the annual general meeting of Emperor Entertainment Hotel Limited (the “Company”) will be held at 22nd Floor, Emperor Group Centre, 288 Hennessy Road, Wanchai, Hong Kong on Tuesday, 19 September 2023 at 10:30 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. (A) To re-elect Ms. Luk Siu Man, Semon as Director.

(B) To re-elect Mr. Wong Chi Fai as Director.
3. To authorise Directors to fix the Directors’ remuneration.
4. To re-appoint Deloitte Touche Tohmatsu as independent auditor and to authorise the Directors to fix its remuneration.

NOTICE OF ANNUAL GENERAL MEETING

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

5. (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).”

NOTICE OF ANNUAL GENERAL MEETING

5. (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.”
5. (C) **“THAT** conditional upon resolution nos. 5(A) and 5(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. 5(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. 5(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. 5(B).”

NOTICE OF ANNUAL GENERAL MEETING

6. “**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 (“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 the Circular, 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 authorized 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.”
7. “**THAT** conditional upon the passing of the resolution no. 6 above, the Service Provider Sublimit (as defined in the Circular, 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 authorized 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.”

By order of the Board
Emperor Entertainment Hotel 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

NOTICE OF ANNUAL GENERAL MEETING

Notes:

- (i) **No refreshments or drinks will be served and no corporate gifts will be distributed.**
- (ii) 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.
- (iii) 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.
- (iv) In order to be valid, the form of proxy must be in writing under the hand of the appointor or his/her attorney duly authorized in writing, or if the appointor is a corporation, either under its common seal, or under the hand of an officer or attorney duly authorized on that behalf, and must be deposited at the Company’s Hong Kong Branch Share Registrar, Tricor Secretaries Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong (“Branch Share Registrar”) 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.
- (v) 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).
- (vi) 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.
- (vii) 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.
- (viii) 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.Emp296.com>) to notify shareholders of the date, time and place of the rescheduled meeting.
- (ix) The translation into Chinese language of this notice is for reference only. In case of any inconsistency, the English version shall prevail.