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

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 163)**

**CONTINUING CONNECTED TRANSACTIONS**  
**THE FINANCIAL SERVICES AGREEMENTS**

**ANNUAL CAPS IN RELATION TO THE FINANCIAL SERVICES AGREEMENTS**

To govern the provision of wide range of Financial Services by Emperor Capital Group to the Listed Members of Emperor Group (including the Group), on 22 June 2021, the Company (as one of the signing parties) entered into the 2021 FSA with Emperor Capital for the period commencing from 1 October 2021 to 30 September 2024, and subsequently, in order to continue such similar Financial Services, the 2021 FSA was renewed and the 2024 FSA was entered into with Emperor Capital for the period commencing from 1 October 2024 to 30 September 2027.

Along with the execution of the limited partnership agreement on 12 April 2024 to form the property asset investment fund, the Board anticipated that there will be an increase in demand from the Group for using the Financial Services, in particular wealth management and asset management services. As such, the Company proposed to revise the Annual Caps during the term of the FSAs.

**LISTING RULES IMPLICATIONS IN RELATION TO THE FSAs**

Emperor Capital is a connected person of the Company under Chapter 14A of the Listing Rules. As such, the transactions contemplated under the FSAs and revised 2021 Annual Caps and 2024 Annual Caps constitute continuing connected transactions of the Company.

At the time of entering into the FSAs, the applicable percentage ratios were less than 5% and the annual transaction amount for each category of Financial Services were less than HK\$3,000,000, the entering into the FSAs constituted *de minimis* continuing connected transactions for the Company under the Listing Rules and were not subject to announcement, reporting and Independent Shareholders' approval requirements. Pursuant to Rule 14A.54(1) of the Listing Rules, if the issuer intends to revise annual caps for continuing connected transactions, the issuer will be required to re-comply with relevant requirements of Chapter 14A of the Listing Rules in respect of the relevant continuing connected transactions.

As applicable percentage ratios calculated with reference to revised 2021 Annual Caps and 2024 Annual Caps exceeds 0.1% but are less than 5%, the FSAs and the revision of Annual Caps are subject to the announcement, annual review and reporting requirements, but exempt from the circular, independent financial advice and Independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

## **Background**

To govern the provision of wide range of Financial Services by Emperor Capital Group to the Listed Members of Emperor Group (including the Group), on 22 June 2021, the Company (as one of the signing parties) entered into the 2021 FSA with Emperor Capital for the period commencing from 1 October 2021 to 30 September 2024, and subsequently, in order to continue such similar Financial Services, the 2021 FSA was renewed and the 2024 FSA was entered into with Emperor Capital for the period commencing from 1 October 2024 to 30 September 2027.

Along with the execution of the limited partnership agreement on 12 April 2024 to form the property asset investment fund, the Board anticipated that there will be an increasing demand from the Group for using the Financial Services, in particular wealth management and asset management services. As such, the Company proposed to revise the Annual Caps during the term of the FSAs.

## **THE FSAs**

All major terms and conditions of the FSAs, including the basis for calculating the relevant payment of each category of Financial Services, are equivalent, save for the commencement date and the term of 2021 FSA and 2024 FSA. Set out below are the major terms of 2021 FSA and 2024 FSA.

### **Parties of FSAs**

- (1) the Company and Other Listed Companies of Emperor Group
- (2) Emperor Capital

### **Term of 2021 FSA**

1 October 2021 – 30 September 2024

### **Term of 2024 FSA**

1 October 2024 – 30 September 2027

## Key terms and condition of FSAs

Pursuant to the 2021 FSA and 2024 FSA, Emperor Capital Group has agreed to provide Financial Services to the Group. Detailed rates and terms will be specified in the individual contract(s) governing each transaction, assessed based on the type of services to be provided and the considerations are normally settled by cash; and will be on normal commercial terms taking reference of the market price and practice, and in any event, such rates and terms shall be no less favourable to the Group than those available to Independent Third Party.

## Historical amount of Service Fee, Annual Caps and basis of determination

The Service Fee payable by the Group shall include (i) commission and brokerage fees on dealing in securities, futures and options contracts; (ii) commission and fees for asset management, insurance brokerage and wealth management service; and (iii) commission for appointing members of Emperor Capital Group as placing agent, underwriter or sub-underwriter for the securities of the Company.

The historical transaction amount of Service Fee paid by the Group to Emperor Capital Group for 12 months ended 31 March 2022, 2023 and 2024 are approximately HK\$22,000, HK\$7,000 and Nil respectively.

Given that the Company expects that the Service Fee payable by the Group to Emperor Capital Group for the period under FSAs will be over the *de minimis* threshold for fully exempt transaction pursuant to Rule 14A.76 of the Listing Rules, the Company has re-evaluated and proposed to revise the Annual Caps for the respective periods of 2021 FSA and 2024 FSA.

Set out below are the proposed revised 2021 Annual Caps:

	<b>For the 6 months ending 30 September 2024 HK\$ '000</b>
Service Fee payable to Emperor Capital Group	25,000

Set out below are the proposed revised 2024 Annual Caps:

	<b>For the 6 months ending 31 March 2025 HK\$ '000</b>	<b>For the 12 months ending 31 March 2026 HK\$ '000</b>	<b>For the 12 months ending 31 March 2027 HK\$ '000</b>	<b>For the 6 months ending 30 September 2027 HK\$ '000</b>
Service Fee payable to Emperor Capital Group	15,000	30,000	30,000	15,000

In determining the Annual Caps, the following principal factors have been taken into consideration:

1. Emperor Capital Group has been acting as placing agents/underwriters for the Listed Members of Emperor Group and the amount of commission expense for placing (including placing service of the property asset investment fund), underwriting and sub-underwriting services are calculated based on (i) the assumed amount of fund to be raised by the Company; and (ii) normal commission rate ranging from 1% to 6% to be charged by Emperor Capital Group depending on the nature of product and the prevailing market conditions;
2. the expected management and performance fee payable in relation to the recent formation of the property asset investment fund and the other fund to be possibly formed, which will be charged at a certain percentage of the asset value and/or the appreciation of asset value with reference to the then prevailing market price and practice of the wealth and asset managers in the market, normally ranging from 0.2% to 2%; and
3. the normal market commission and brokerage fees of 0.25% to be charged by Emperor Capital Group when dealing in securities which is payable upon completion of such transactions.

#### **REASONS FOR AND BENEFITS OF THE REVISION OF ANNUAL CAPS**

The Company is principally engaged in investment holding and its subsidiaries are principally engaged in property investments, property development and hospitality businesses in Greater China and overseas.

Emperor Capital is an investment holding company and its subsidiaries are principally engaged in the provision of financial services, including (i) commercial and personal lending as well as margin and initial public offering financing; (ii) brokerage services, wealth management and asset management; (iii) placing and underwriting services for listed issuers; and (iv) corporate finance advisory services.

The Directors considered that the revision of the Annual Caps allows flexibility for the Group to continue to obtain the Financial Services, in particular wealth management and asset management services from Emperor Capital Group. The Annual Caps allow the Group to engage Emperor Capital Group for the execution of corporate exercises and/or investment opportunities in a timely manner (if any) which is beneficial to the Group. Such proposed revision in Annual Caps is in line with the business development of the Group.

The Board (including the independent non-executive Directors) is of the view that the transactions contemplated under the FSAs are in the ordinary and usual course of business of the Group, and the terms of the FSAs are fair and reasonable and that they are on normal commercial terms determined on an arm's length basis, and the revision of Annual Caps are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **LISTING RULES IMPLICATIONS IN RELATION TO THE FSAs**

As at the date of this announcement, the Company and Emperor Capital are indirectly controlled by the respective private discretionary trusts which were both set up by Dr. Yeung, who is the deemed substantial Shareholder. As such, Emperor Capital is a connected person of the Company under Chapter 14A of the Listing Rules. The transactions contemplated under the FSAs and revised 2021 Annual Caps and 2024 Annual Caps constitute continuing connected transactions of the Company.

At the time of entering into the FSAs, the applicable percentage ratios were less than 5% and the annual transaction amount for each category of Financial Services were less than HK\$3,000,000, the entering into the FSAs constituted *de minimis* continuing connected transactions for the Company under the Listing Rules and were not subject to announcement, reporting and Independent Shareholders' approval requirements. Pursuant to Rule 14A.54(1) of the Listing Rules, if the issuer intends to revise annual caps for continuing connected transactions, the issuer will be required to re-comply with relevant requirements of Chapter 14A of the Listing Rules in respect of the relevant continuing connected transactions.

Ms. Luk Siu Man, Semon, the Chairperson of the Board and a non-executive Director, and Mr. Yeung Ching Loong, Alexander, the Vice Chairman of the Board and an executive Director, did abstain from voting on the relevant Board resolution(s) of the Company in view of their deemed interests in the transactions by virtue of being an associate of the eligible beneficiaries of the aforesaid private discretionary trusts and being one of the eligible beneficiaries of those trusts respectively. Mr. Wong Chi Fai and Ms. Fan Man Seung, Vanessa, being the executive Directors, did abstain from voting on the relevant Board resolution(s) of the Company as they also take up a management role in Emperor Capital.

As applicable percentage ratios calculated with reference to revised 2021 Annual Caps and 2024 Annual Caps exceeds 0.1% but are less than 5%, the FSAs and the revision of Annual Caps are subject to the announcement, annual review and reporting requirements, but exempt from the circular, independent financial advice and Independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

## **INTERNAL CONTROL PROCEDURES AND CORPORATE GOVERNANCE MEASURES**

The Group will follow a series of procedures in relation to the utilisation of the Financial Services provided by Emperor Capital Group. Each transaction in relation to the Financial Services shall be conducted on a non-exclusive basis. The Group has the flexibility to enter into arrangement with third party. Whenever the Group engages Emperor Capital Group for Financial Services, the Group will review the relevant agreements and monitor the amounts, fees, brokerage, commissions and interest rate (if applicable) to ensure the fairness of the terms of the relevant transactions as compared to Financial Services provided by Independent Third Parties other than Emperor Capital Group. Prior to obtaining any type of loan services from Emperor Capital Group, the Group should make enquiry with other financial institutions about their offers, including interest rate, in respect of a loan or a credit facility of the same tenure and type. With the above control procedures, the Directors consider that the transactions in relation to the Financial Services are conducted on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

To ensure compliance with the terms and conditions of the FSAs and adherence to the Listing Rules, the Company has implemented a comprehensive review process, including (i) the management of the Group will assess each of specific agreements with the aforementioned procedures; (ii) the finance department of the Group will record the transaction amount(s) to ensure that the transaction amounts under the FSAs will not exceed the *de minimis* threshold and/or the Annual Caps; (iii) the audit committee of the Company conducts an annual review of the transactions contemplated under the FSAs to verify that the transaction amounts are within the *de minimis* threshold and/or the Annual Caps and comply with the terms and pricing basis of the agreements; (iv) the external auditor of the Company also performs an annual review to opine on whether the Annual Caps have been exceeded; and (v) the independent non-executive Directors conduct an annual review of the status of the transactions contemplated under the FSAs to ascertain that the Company has adhered to its internal approval process and compiled the relevant requirements under the Listing Rules.

## TERMS USED IN THIS ANNOUNCEMENT

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

“2021 Annual Caps”	the maximum amount of Service Fee payable to Emperor Capital Group for each of the respective financial periods during the term under the 2021 FSA
“2021 FSA”	an agreement dated 22 June 2021 entered into between Emperor Capital and Other Listed Companies of Emperor Group (excluding New Media Lab) in relation to the provision of Financial Services by Emperor Capital Group to the Listed Members of Emperor Group (excluding New Media Lab Group)
“2024 Annual Caps”	the maximum amount of Service Fee payable to Emperor Capital Group for each of the respective financial periods during the term under the 2024 FSA
“2024 FSA”	an agreement dated 1 December 2023 entered into between Emperor Capital and Other Listed Companies of Emperor Group in relation to the provision of Financial Services by Emperor Capital Group to the Listed Members of Emperor Group
“Annual Caps”	2021 Annual Caps and 2024 Annual Caps
“Board” or “Directors”	the board of directors of the Company
“Company”	Emperor International Holdings Limited, an exempted company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 163)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules

“Dr. Yeung”	Dr. Yeung Sau Shing, Albert
“Emperor Capital”	Emperor Capital Group Limited, an exempted company incorporated in Bermuda with limited liability, the subsidiaries of which are principally engaged in the provision of a wide range of financial services, including (i) commercial and personal lending as well as margin and initial public offering financing; (ii) brokerage services, wealth management and asset management; (iii) placing and underwriting services for listed issuers; and (iv) corporate finance advisory services and whose issued shares are listed on the Main Board of the Stock Exchange (Stock Code: 717)
“Emperor Capital Group”	Emperor Capital and its subsidiaries from time to time
“Emperor Culture”	Emperor Culture Group Limited, an exempted company incorporated in Bermuda with limited liability, the subsidiaries of which are principally engaged in entertainment, media and cultural development business, which mainly include cinema operation and whose issued shares are listed on the Main Board of the Stock Exchange (Stock Code: 491)
“Emperor Culture Group”	Emperor Culture and its subsidiaries from time to time
“Emperor E Hotel”	Emperor Entertainment Hotel Limited, an exempted company incorporated in Bermuda with limited liability, the subsidiaries of which are principally engaged in provision of hospitality and entertainment services in Hong Kong and Macau and whose issued shares are listed on the Main Board of the Stock Exchange (Stock Code: 296)
“Emperor E Hotel Group”	Emperor E Hotel and its subsidiaries from time to time
“Emperor W&J”	Emperor Watch & Jewellery Limited, a company incorporated in Hong Kong with limited liability, the subsidiaries of which are principally engaged in the sales of European-made internationally renowned watches, together with fine jewellery products and whose issued shares are listed on the Main Board of the Stock Exchange (Stock Code: 887)
“Emperor W&J Group”	Emperor W&J and its subsidiaries from time to time
“FSAs”	2021 FSA and 2024 FSA

“Financial Services”	the financial services provided by Emperor Capital Group, of which categories include (i) brokerage services for securities, futures and options trading; (ii) wealth management and asset management services; (iii) placing and underwriting services; (iv) financing services including margin loan facilities, initial public offering financing and term loans; and (v) financial advisory services
“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 People’s Republic of China
“Independent Shareholder(s)”	the Shareholder(s) who do not have material interest in the transactions contemplated under the 2021 FSA and 2024 FSA
“Independent Third Party(ies)”	person(s) or entity(ies) who is/are third party(ies) independent of and not connected with the Company and its connected persons
“Listed Members of Emperor Group”	the Group, Emperor E Hotel Group, Emperor W&J Group, Emperor Culture Group, New Media Lab Group and Ulferts Group
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Media Lab”	New Media Lab Limited, an exempted company incorporated in the Cayman Islands with limited liability, the subsidiaries of which are principally engaged in digital media and whose issued shares are listed on the Main Board of the Stock Exchange (Stock Code: 1284)
“New Media Lab Group”	New Media Lab and its subsidiaries from time to time
“Other Listed Companies of Emperor Group”	Emperor E Hotel, Emperor W&J, Emperor Culture, New Media Lab (for 2024 FSA only) and Ulferts
“Service Fee”	the transaction fee pay/payable in relation to (i) brokerage services for securities, futures and options trading; (ii) wealth management and asset management services; and (iii) placing and underwriting services
“Shareholder(s)”	holder(s) of the ordinary shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“subsidiary(ies)”	has the meaning ascribed to it under the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
“Ulferts”	Ulferts International Limited, a company incorporated in Hong Kong with limited liability, the subsidiaries of which are principally engaged in retail of home furniture and whose issued shares are listed on the Main Board of the Stock Exchange (Stock Code: 1711)
“Ulferts Group”	Ulferts and its subsidiaries from time to time
“%”	per cent.

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

Hong Kong, 17 April 2024

As at the date of this announcement, the Board comprises:

<i>Non-executive Directors:</i>	Ms. Luk Siu Man, Semon Mr. Cheung Ping Keung
<i>Executive Directors:</i>	Mr. Yeung Ching Loong, Alexander Mr. Wong Chi Fai Ms. Fan Man Seung, Vanessa
<i>Independent Non-executive Directors:</i>	Mr. Chan Hon Piu Mr. Chu Kar Wing Mr. Poon Yan Wai