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



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

**DISCLOSEABLE AND CONNECTED TRANSACTION
ACQUISITION OF 15% OF THE EQUITY INTEREST IN
LUCK UNITED HOLDINGS LIMITED**

- (1) After trading hours of the Stock Exchange on 8 October 2018, the Vendor entered into the Sale and Purchase Agreement with the Purchaser in relation to the sale and purchase of (a) the Sale Shares; and (b) the Sale Loan.
- (2) Upon Completion, the Purchaser will hold 75% of the total issued shares of the Target Company and the Target Company will remain to be a non-wholly owned subsidiary of Emperor E Hotel and Emperor International.
- (3) the Acquisition constitutes a discloseable transaction for each of Emperor International and Emperor E Hotel under the Listing Rules and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.
- (4) the Vendor is a substantial shareholder of a non-wholly owned subsidiary of each of Emperor International and Emperor E Hotel and hence a connected person at the subsidiary level of each of Emperor International and Emperor E Hotel within the meaning of the Listing Rules. The Acquisition therefore constitutes a connected transaction for each of Emperor International and Emperor E Hotel under Chapter 14A of the Listing Rules.
- (5) The directors (including their respective independent non-executive directors) of each of Emperor International and Emperor E Hotel have approved the Sale and Purchase Agreement and the Acquisition, and the independent non-executive directors of each of Emperor International and Emperor E Hotel have confirmed respectively that the terms of the Sale and Purchase Agreement and the Acquisition are fair and reasonable, on normal commercial terms or better and in the interests of Emperor International and Emperor E Hotel and their respective shareholders as a whole. The Acquisition is therefore subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules but is exempt from the circular, independent financial advice and shareholders' approval requirements for each of Emperor International and Emperor E Hotel pursuant to Rule 14A.101 of the Listing Rules.

** for identification purpose only*

INTRODUCTION

The respective board of directors of Emperor E Hotel and Emperor International are pleased to announce that after trading hours of the Stock Exchange on 8 October 2018, the Vendor entered into the Sale and Purchase Agreement with the Purchaser in relation to the sale and purchase of (a) the Sale Shares; and (b) the Sale Loan.

THE SALE AND PURCHASE AGREEMENT DATED 8 OCTOBER 2018

The Vendor: Big Wheel

The Purchaser: Emperor Entertainment Hotel Investment, an indirect wholly-owned subsidiary of Emperor E Hotel and Emperor International

As at the date of this joint announcement, the total issued shares of the Target Company is owned as to 60% by the Purchaser, 15% by the Vendor and 25% by other parties unrelated to the parties of the Acquisition. Accordingly, the Vendor, by virtue of being a substantial shareholder of a non-wholly owned subsidiary of each of Emperor International and Emperor E Hotel, is a connected person at the subsidiary level of each of Emperor International and Emperor E Hotel within the meaning of the Listing Rules. Save for the foregoing, to the best of the knowledge of the directors of Emperor International and Emperor E Hotel, information and belief having made all reasonable enquiries, the Vendor and its ultimate beneficial owners are not in any other way connected with each of Emperor International and Emperor E Hotel.

Assets to be acquired of

Pursuant to the Sale and Purchase Agreement, the Vendor has conditionally agreed to sell and the Purchaser has conditionally agreed to purchase (a) the Sale Shares; and (b) the Sale Loan due and payable by the Target Company to the Vendor.

Consideration and payment terms

The consideration for the Acquisition is HK\$460.0 million and shall be settled in cash payable by the Purchaser to the Vendor in the following manner:–

- i) an sum of HK\$138.0 million being 30% of the consideration as deposit (“**Deposit**”) has been paid by the Purchaser to the Vendor upon execution of the Sale and Purchase Agreement; and
- ii) the balance thereof in the sum of HK\$322.0 million being 70% of the consideration shall be paid by the Purchaser to the Vendor on Completion.

The consideration for the Acquisition is financed by the internal resources of Emperor E Hotel Group.

The consideration was determined after arm’s length negotiations between the Purchaser and the Vendor on normal commercial terms, after having taken into account (i) the unaudited consolidated net asset value of the Target Group of approximately HK\$4,755.7 million as at 31 August 2018; (ii) the amount of the loan due from the Target Company to the Vendor of HK\$36.75 million as at 31 August 2018; (iii) the relatively low liquidity of the Sale Shares for the Target Company not being a listed company itself; and (iv) the Sale Shares, being 15% of the entire issued shares of the Target Company, represents relatively minority interest in the Target Company. The sale and purchase of the Sale Shares will not lead to change of majority control in the Target Company.

As at 31 August 2018, the unaudited consolidated net asset value of Luck United calculated in accordance with the general accepted accounting principles in Hong Kong was approximately HK\$4,755.7 million. Accordingly, the unaudited consolidated net asset value of Luck United attributable to the Sale Shares as at 31 August 2018 was approximately HK\$713.4 million. The consideration for the Sale Shares (calculated by the total consideration minus the amount of the Sale Loan as at 31 August 2018) represents an approximate 40.67% discount on the consolidated net asset value of Luck United attributable to the Sale Shares as at 31 August 2018.

Conditions Precedent

The Completion shall be conditional upon the following conditions precedent:

- (a) the approval by the board of directors of Luck United of the transactions contemplated under the Sale and Purchase Agreement;
- (b) the approval by the respective board of directors of Emperor E Hotel and Emperor International of the transactions contemplated under the Sale and Purchase Agreement and the confirmation of the respective independent non-executive directors on the terms of the Sale and Purchase Agreement pursuant to Rule 14A.101 of the Listing Rules;
- (c) if required by the Listing Rules, the approval by the respective independent shareholders of Emperor E Hotel and/or Emperor International of the transactions contemplated under the Sale and Purchase Agreement at the special general meeting;
- (d) all necessary consents (if any) being granted by third parties in relation to the transactions contemplated under the Sale and Purchase Agreement; and
- (e) the Vendor's representation and warranties as set out in the Sale and Purchase Agreement remaining true and accurate in all material respects and not misleading in any material respect as of the Completion.

If the foregoing conditions are not fulfilled (or waived by the Purchaser, except conditions (a), (b) and (c) above) in accordance with the Sale and Purchase Agreement within one (1) month from the date of the Sale and Purchase Agreement (or such later date as the parties may agree), the Purchaser shall be entitled to terminate the Sale and Purchase Agreement by notice in writing to the Vendor whereupon, subject to the terms of the Sale and Purchase Agreement, the Vendor shall return to the Purchaser the Deposit paid by the Purchaser to the Vendor forthwith without costs, compensation and interest and neither party shall have any claim against the other party save and except for any antecedent breach.

Completion

The Completion shall take place within two (2) Business Days following satisfaction of all the aforesaid conditions precedent or such other date as agreed by the Purchaser and the Vendor.

Upon Completion, the Purchaser will hold 75% equity interest of Luck United and the financial information of Luck United shall continue to be consolidated into the consolidated financial statements of Emperor E Hotel Group.

INFORMATION OF TARGET GROUP

The Target Company is an investment holding company incorporated in the BVI and indirectly non-wholly owned by Emperor E Hotel. The principal business of the Target Group mainly includes operation of the Grand Emperor Hotel in Macau and provision of entertainment related services.

The audited net profit (before and after taxation) of the Target Group for the two years ended 31 March 2017 and 2018 are as below:

	For the year ended 31 March 2018 (audited) HK\$	For the year ended 31 March 2017 (audited) HK\$
Profit before taxation	232,069,240	170,239,827
Profit after taxation	285,390,371	205,399,417

The unaudited consolidated net asset value of the Target Group was approximately HK\$4,755.7million as at 31 August 2018.

The total original cost of the Sale Shares for the Vendor includes the share capital contribution of US\$1,500 (approximately HK\$11,700) and the original shareholder's loan of HK\$135.0 million contributed by the Vendor for the Target Company.

REASONS AND BENEFITS FOR THE ACQUISITION

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

Emperor E Hotel is an investment holding company and its subsidiaries are principally engaged in provision of entertainment and hospitality services in Macau. Emperor E Hotel is the non-wholly owned subsidiary of Emperor International.

The Purchaser is an indirect wholly-owned subsidiary of Emperor E Hotel and Emperor International with principal business of investment holding.

The Vendor is principally engaged in investment holding.

The consideration for the Sale Shares (calculated by the total consideration minus the amount of the Sale Loan as at 31 August 2018) represents an approximate 40.67% discount on the consolidated net asset value of Luck United attributable to the Sale Shares as at 31 August 2018. The board of directors of both Emperor International and Emperor E Hotel believe that the Acquisition represents a tremendous opportunity to increase the stake in Luck United at a deep discount. In recent years, the Target Group continued to achieve a stable performance in entertainment and hospitality services in Macau and generate recurrent income stream for Emperor E Hotel and Emperor International. The Acquisition can realise the expansion of such good investment opportunity. In addition, the Acquisition will enable Emperor E Hotel to utilise financial resources efficiently.

After considering the above factors, the directors (including all the independent non-executive directors) of both Emperor International and Emperor E Hotel believe that the terms of the Acquisition are fair and reasonable, on normal commercial terms or better and in the ordinary and usual course of business, and the entering into the Sale and Purchase Agreement is in the interests of Emperor International and Emperor E Hotel and their respective shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Acquisition exceed 5% but all of the applicable percentage ratios are less than 25%, the Acquisition constitutes a discloseable transaction for each of Emperor International and Emperor E Hotel under the Listing Rules and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

As at the date of this joint announcement, the total issued shares of the Target Company is owned as to 60% by the Purchaser, 15% by the Vendor and 25% by other parties unrelated to the parties of the Acquisition. Accordingly, the Vendor, by virtue of being a substantial shareholder of a non-wholly owned subsidiary of each of Emperor International and Emperor E Hotel, is a connected person at the subsidiary level of each of Emperor International and Emperor E Hotel within the meaning of the Listing Rules. The Acquisition therefore constitutes a connected transaction for each of Emperor International and Emperor E Hotel under Chapter 14A of the Listing Rules.

The directors (including their respective independent non-executive directors) of each of Emperor International and Emperor E Hotel have approved the Sale and Purchase Agreement and the Acquisition, and the independent non-executive directors of each of Emperor International and Emperor E Hotel have confirmed respectively that the terms of the Sale and Purchase Agreement and the Acquisition are fair and reasonable, on normal commercial terms or better and in the interests of Emperor International and Emperor E Hotel and their respective shareholders as a whole. The Acquisition is therefore subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules but is exempt from the circular, independent financial advice and shareholders' approval requirements for each of Emperor International and Emperor E Hotel pursuant to Rule 14A.101 of the Listing Rules.

To the best of the knowledge, information and belief of the directors of each of Emperor International and Emperor E Hotel respectively, after having made all reasonable enquiries, none of the directors of each of Emperor International and Emperor E Hotel has any material interest in the Acquisition.

TERMS USED IN THIS JOINT ANNOUNCEMENT

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

“Acquisition”	the acquisition of the Sale Shares and the Sale Loan by the Purchaser from the Vendor under the Sale and Purchase Agreement
“Big Wheel” or “Vendor”	Big Wheel Limited, a company incorporated in the BVI
“Business Day(s)”	a day other than a Saturday, Sunday or public holiday (or a day on which a tropical cyclone No.8 or above or a "black" rainstorm warning is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m. on weekdays) on which banks are open in Hong Kong to the general public for business
“BVI”	the British Virgin Islands
“Completion”	the completion of the Acquisition in accordance with the terms and conditions of the Sale and Purchase Agreement

“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Emperor E Hotel”	Emperor Entertainment Hotel Limited, an exempted company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 296)
“Emperor E Hotel Group”	Emperor Entertainment Hotel and its subsidiaries
“Emperor Entertainment Hotel Investment” or “Purchaser”	Emperor Entertainment Hotel Investment Limited, a company incorporated in the BVI with limited liability and an indirect wholly-owned subsidiary of Emperor E Hotel
“Emperor International”	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)
“Emperor International Group”	Emperor International and its subsidiaries (excluding Emperor E Hotel Group)
“HK\$”	Hong Kong dollars, being the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Luck United” or “Target Company”	Luck United Holdings Limited, a company incorporated in the BVI and directly non-wholly owned by the Purchaser
“Macau”	Macau Special Administrative Region of the PRC
“PRC”	The People’s Republic of China
“Sale and Purchase Agreement”	the sale and purchase agreement dated 8 October 2018 entered into between the Vendor and the Purchaser in relation to the Acquisition
“Sale Loan”	all loan, interest and all other sums owing by the Target Company to the Vendor as at the Completion
“Sale Shares”	1,500 Shares held by the Vendor, representing 15% of the entire issued shares of the Target Company
“Share(s)”	ordinary share of US\$1.00 each in the share capital of the Target 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)

“Target Group”	Target Company and its subsidiaries
“US\$”	United State Dollars, the lawful currency of the United States of America
“%”	per cent

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

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

Hong Kong, 8 October 2018

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

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

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

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

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

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

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

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