

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



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

*(Incorporated in Bermuda with limited liability)*

**(Stock Code : 163)**



**英皇文化產業集團有限公司**  
**Emperor Culture Group Limited**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 491)**

### **CONTINUING CONNECTED TRANSACTION**

The boards of directors of Emperor International and Emperor Culture announce that on 28 February 2018, Emperor Beijing Real Estate as landlord entered into the Tenancy Agreement with Emperor Cinemas Beijing as tenant in relation to the tenancy of the Property.

Under Chapter 14A of the Listing Rules, Emperor Cinemas Beijing is a connected person of Emperor International whilst Emperor Beijing Real Estate is a connected person of Emperor Culture and accordingly, the Tenancy Agreement constitutes a continuing connected transaction for both Emperor International and Emperor Culture.

As the applicable percentage ratios (as defined in the Listing Rules) calculated with reference to the aggregate annual caps of both Emperor International and Emperor Culture are more than 0.1% but less than 5%, the Tenancy Agreement is subject to the announcement, reporting and annual review requirements, but exempt from the respective shareholders' approval of both Emperor International and Emperor Culture under Chapter 14A of the Listing Rules.

The boards of directors of Emperor International and Emperor Culture announce that on 28 February 2018, Emperor Beijing Real Estate as landlord entered into the Tenancy Agreement with Emperor Cinemas Beijing as tenant in relation to the tenancy of the Property.

### **TENANCY AGREEMENT DATED 28 FEBRUARY 2018**

Landlord : Emperor Beijing Real Estate

Tenant : Emperor Cinemas Beijing

Property: Unit 08, 27th Floor, Emperor Group Centre, D12 Jianwai Dajie, Chaoyang District, Beijing, the PRC

Usage: for office use

Area: 63.82 sq. m. (gross)

Term:	3 years from 1 March 2018 to 28 February 2021 (both days inclusive)
Rent:	RMB33,794 (equivalent to approximately HK\$41,229) per month, inclusive of service fee but exclusive of the turnover taxation, management fees and all other outgoings fee billed in actual usage
Rent Free:	54 days (1 March 2018 to 23 April 2018) whereas the monthly service fee of RMB7,148 (equivalent to approximately HK\$8,721), exclusive of the turnover taxation, shall be paid by the Tenant to the Landlord
Effective Rent:	RMB32,487 (equivalent to approximately HK\$39,634) per month, inclusive of service fee but exclusive of the turnover taxation, management fees and all other outgoings fee billed in actual usage
Deposit:	RMB113,536 (equivalent to approximately HK\$138,514) which is equivalent to three months' rent and management fee

## **AGGREGATE ANNUAL CAPS OF THE TENANCY AGREEMENT AND THE PREVIOUS TENANCY AGREEMENTS**

### ***Aggregate Annual Caps of Emperor International***

The Aggregate Annual Caps of Emperor International under the Tenancy Agreement and the Previous Tenancy Agreements (which are aggregated under Rule 14A.81 of the Listing Rules) based on the total annual effective rental received / receivable thereunder for each of the years ending 31 March 2018 to 2033 will be as follows:

<b>For the year ending 31 March</b>	<b>Tenancy Agreement (RMB'000)</b>	<b>First Previous Tenancy Agreement (RMB '000)</b>	<b>Second Previous Tenancy Agreement (RMB '000)</b>	<b>Total (RMB '000)</b>
2018	40	3,730	200	3,970
2019	390	4,210	480	5,080
2020	390	4,250	480	5,120
2021	360	4,280	480	5,120
2022	-	4,350	480	4,830
2023	-	4,590	280	4,870
2024	-	4,940	-	4,940
2025	-	5,330	-	5,330
2026	-	5,750	-	5,750
2027	-	5,980	-	5,980
2028 (up to 4 May 2027)	-	500	-	500

*Assuming the Option is exercised*

2028 (from 5 May 2027)	-	6,590	-	6,590
2029	-	7,290	-	7,290
2030	-	7,220	-	7,220
2031	-	7,300	-	7,300
2032	-	7,310	-	7,310
2033 (up to 4 May 2032)	-	580	-	580

***Aggregate Annual Caps of Emperor Culture***

The Aggregate Annual Caps of Emperor Culture under the Tenancy Agreement and the Previous Tenancy Agreements (which are aggregated under Rule 14A.81 of the Listing Rules) based on the total annual effective rental paid / payable thereunder for each of the years ending 30 June 2018 to 2027 will be as follows:

<b>For the year ending 30 June</b>	<b>Tenancy Agreement (RMB '000)</b>	<b>First Previous Tenancy Agreement (RMB '000)</b>	<b>Second Previous Tenancy Agreement (RMB '000)</b>	<b>Total (RMB '000)</b>
2018	130	4,110	320	4,560
2019	390	4,220	480	5,090
2020	390	4,260	480	5,130
2021	270	4,280	480	5,030
2022	-	4,400	480	4,880
2023	-	4,670	160	4,830
2024	-	5,030	-	5,030
2025	-	5,450	-	5,450
2026	-	5,820	-	5,820
2027 (up to 4 May 2027)	-	5,000	-	5,000

**REASONS AND BENEFITS FOR THE TENANCY AGREEMENT**

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 Group Centre is held by Emperor Beijing Real Estate as investment property in Beijing for rental income.

Emperor Culture is an investment holding company and its subsidiaries are principally engaged in entertainment, media and cultural development business, particularly in the Greater China, which include (i) cinema development and operation; (ii) investment and production of films, TV programmes and other media related projects; (iii) investment in a variety of cultural events including music concerts, live shows and theatrical performance; and (iv) investment in securities. Emperor Cinemas Beijing is principally engaged in cinema operation in the PRC.

The terms of the Tenancy Agreement are arrived at after arm's length negotiation and the rental of the Tenancy Agreement was determined with reference to the prevailing market rental of similar properties in the nearby locations. The directors of both Emperor International and Emperor Culture (including their respective independent non-executive directors) considered that the terms of the Tenancy Agreement are fair and reasonable and the transaction is on normal commercial terms, in the ordinary and usual course of business and in the interests of both Emperor International and Emperor Culture and their respective shareholders as a whole.

## **GENERAL**

Emperor Beijing Real Estate is an indirect wholly-owned subsidiary of Emperor International. Emperor Cinemas Beijing is an indirect wholly-owned subsidiary of Emperor Culture. Emperor International and Emperor Culture are both indirectly controlled by the AY Trust. As such, under Chapter 14A of the Listing Rules, Emperor Cinemas Beijing is a connected person of Emperor International whilst Emperor Beijing Real Estate is a connected person of Emperor Culture, and accordingly, the Tenancy Agreement constitutes a continuing connected transaction for both Emperor International and Emperor Culture.

Ms. Luk Siu Man, Semon, the Chairperson of Emperor International, did abstain from voting on the relevant board resolution of Emperor International in view of her deemed interest in the transaction by virtue of being an associate of the eligible beneficiaries of the AY Trust.

Mr. Yeung Ching Loong, Alexander, an executive director of Emperor Culture, did abstain from voting on the relevant board resolution of Emperor Culture in view of his deemed interest in the transaction by virtue of being one of the eligible beneficiaries of the AY Trust.

As the applicable percentage ratios (as defined in the Listing Rules) calculated with reference to the aggregate annual caps of Emperor International and Emperor Culture are more than 0.1% but less than 5%, the Tenancy Agreement is subject to the announcement, reporting and annual review requirements, but exempt from the respective shareholders' approval of both Emperor International and Emperor Culture under Chapter 14A of the Listing Rules.

## **TERMS USED IN THIS ANNOUNCEMENT**

“Aggregate Annual Caps of Emperor Culture”	the maximum amount of effective rental paid / payable by Emperor Cinemas Beijing under the Tenancy Agreement and the Previous Tenancy Agreements for each of the years ending 30 June 2018 to 2027 based on the total annual effective rental paid / payable thereunder
“Aggregate Annual Caps of Emperor International”	the maximum amount of effective rental received / receivable by Emperor Beijing Real Estate under the Tenancy Agreement and the Previous Tenancy Agreements for each of the years ending 31 March 2018 to 2028 and, assuming the Option is exercised, for each of the years ending 31 March 2028 to 2033 based on the total annual effective rental received / receivable thereunder

“AY Trust”	The Albert Yeung Discretionary Trust, a discretionary trust set up by Dr. Yeung Sau Shing, Albert
“Cinema Premises”	partial floor of each of B1, B2M, B2, Emperor Group Centre, D12 Jianwai Dajie, Chaoyang District, Beijing, the PRC
“Emperor Beijing Real Estate” or “Landlord”	Emperor (Beijing) Real Estate Development Co. Ltd. # (英皇(北京)房地產開發有限公司), a company incorporated in the PRC with limited liability and an indirect wholly-owned subsidiary of Emperor International
“Emperor Cinemas Beijing” or “Tenant”	Emperor Cinemas (Beijing) Limited # (英皇電影城(北京)有限公司), a company incorporated in the PRC with limited liability and an indirect wholly-owned subsidiary of Emperor Culture
“Emperor Culture”	Emperor Culture Group Limited, an exempted company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“Emperor Group Centre”	the building situated at D12 Jianwai Dajie, Chaoyang District, Beijing, the PRC# (中國北京市朝陽區建外大街丁 12 號)
“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
“First Previous Tenancy Agreement”	the tenancy agreement dated 5 May 2017 entered into between Emperor Beijing Real Estate as landlord and Major Marketing as tenant in relation to the tenancy of the Cinema Premises, details of which were set out in the joint announcement of Emperor International and Emperor Culture dated 5 May 2017. Subsequently, Major Marketing has assigned its right to the First Previous Tenancy Agreement to Emperor Cinemas Beijing as tenant in relation to the tenancy of the Cinema Premises
“HK\$”	Hong Kong dollars
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Major Marketing”	Major Marketing Communications Limited (now known as Emperor Cinemas (China) Limited), a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of Emperor Culture

“Option”	the option granted by Emperor Beijing Real Estate to the tenant to renew the tenancy of the Cinema Premises for additional 5 years from 5 May 2027 to 4 May 2032 pursuant to the First Previous Tenancy Agreement
“PRC”	The People’s Republic of China
“Previous Property”	Unit 03, 27th Floor, Emperor Group Centre, D12 Jianwai Dajie, Chaoyang District, Beijing, the PRC
“Previous Tenancy Agreements”	the First Previous Tenancy Agreement and the Second Previous Tenancy Agreement
“Property”	Unit 08, 27th Floor, Emperor Group Centre, D12 Jianwai Dajie, Chaoyang District, Beijing, the PRC
“RMB”	Renminbi, the lawful currency of the PRC
“sq. m.”	square metres
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Second Previous Tenancy Agreement”	the tenancy agreement dated 31 October 2017 entered into between Emperor Beijing Real Estate as landlord and Emperor Cinemas Beijing as tenant in relation to the tenancy of the Previous Property, details of which were set out in the joint announcement of Emperor International and Emperor Culture dated 31 October 2017
“Tenancy Agreement”	the tenancy agreement dated 28 February 2018 entered into between Emperor Beijing Real Estate as landlord and Emperor Cinemas Beijing as tenant in relation to the tenancy of the Property
“%”	per cent

*# English translation is directly translated from Chinese and for identification purpose only*

*Note: for illustrative purpose of this announcement only, conversion of RMB into HK\$ is made at the rate of RMB1.00 = HK\$1.22.*

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

By order of the board  
**Emperor Culture Group Limited**  
**Fan Man Seung, Vanessa**  
*Chairperson*

Hong Kong, 28 February 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

*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 Culture comprises:

*Executive Directors:* Ms. Fan Man Seung, Vanessa  
Mr. Wong Chi Fai  
Mr. Yeung Ching Loong, Alexander  
Ms. Shirley Percy Hughes

*Independent Non-Executive Directors:* Mr. Ng Hoi Yue  
Ms. Chan Sim Ling, Irene  
Mr. Ho Tat Kuen