

DATED 23 MAR 2023

**EMPEROR ENTERTAINMENT HOTEL LIMITED (1)**

**AND**

**EMPEROR WATCH & JEWELLERY LIMITED (2)**

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**2024 Master Leasing Agreement**  
relating to leasing of various premises owned by  
Emperor Entertainment Hotel Limited

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THIS 2024 MASTER LEASING AGREEMENT is made on 23 MAR 2023

**BETWEEN:**

- (1) **EMPEROR ENTERTAINMENT HOTEL LIMITED**, an exempted company incorporated with limited liability under the laws of Bermuda having its registered office at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda (“**Emperor E Hotel**”); and
- (2) **EMPEROR WATCH & JEWELLERY LIMITED**, a company incorporated with limited liability under the laws of Hong Kong having its registered office at 25<sup>th</sup> Floor, Emperor Group Centre, 288 Hennessy Road, Wanchai, Hong Kong (“**Emperor W&J**”).

(Each a “**Party**”, and collectively the “**Parties**”)

**WHEREAS:**

- (A) Emperor E Hotel is an investment holding company and its subsidiaries are principally engaged in provision of entertainment and hospitality services. Emperor W&J is an investment holding company and its subsidiaries are principally engaged in sales of European-made internationally renowned watches and self-designed fine jewellery products. Both Emperor E Hotel and Emperor W&J are indirectly controlled by the respective private discretionary trusts set up by Dr. Albert Yeung who is the deemed substantial shareholder of both Parties and as such, the Parties are connected parties to each other under the Listing Rules.
- (B) In the ordinary and usual course of business, members of Emperor E Hotel Group (as defined below) entered, and may from time to time continue to enter, into the Tenancy Transactions with members of Emperor W&J Group (as defined below). In anticipation of further growth and for administrative efficiency, the Parties wish to enter into a master leasing agreement to regulate the Tenancy Transactions and to obtain the Annual Caps permitted under Chapter 14A of the Listing Rules as per the terms and conditions set out herein.
- (C) The Parties entered into a master leasing agreement relating to leasing of various premises owned by Emperor E Hotel Group on 24 May 2018, as amended, supplemented, replaced or otherwise renewed by the Master Leasing Agreement dated 3 December 2020 (the “**Master Leasing Agreements**”) to regulate the Tenancy Transactions (as defined below) and to obtain the Annual Caps (as defined below) permitted under Chapter 14A of the Listing Rules (as defined below).
- (D) With the expiration of the Master Leasing Agreements, the Parties wish to enter into this new 2024 Master Leasing Agreement to recite their agreement regarding the subject matter.

**IT IS HEREBY AGREED:**

1. **DEFINITIONS AND INTERPRETATION**

1.1 In this Agreement the following words and expressions shall (except where the context otherwise requires) have the following meanings:-

<b>“Agreement”</b>	this 2024 Master Leasing Agreement, including any subsequent master leasing agreements renewed or extended pursuant to the terms hereof
<b>“Aggregate Right-of-Use Annual Cap(s)”</b>	for the purpose of Chapter 14A of the Listing Rules and pursuant to HKFRS 16, the annual caps for Emperor W&J in respect of the Fixed Lease Payment which are determined with reference to the annual maximum amount of the total value of right-of-use asset of Emperor W&J in respect of Tenancy Transactions to be or expected to be entered into for each of its financial periods during the Term
<b>“Aggregate Rental Expense Annual Cap(s)”</b>	for the purpose of Chapter 14A of the Listing Rules and pursuant to HKFRS 16, the annual caps for Emperor W&J in respect of the Variable Lease Payment and other short-term lease payment recognised as expenses which are determined with reference to the annual maximum amount of Variable Lease Payment and other short-term lease payment to be or expected to be payable by Emperor W&J Group in respect of Tenancy Transactions for each of the financial periods during the Term
<b>“Aggregate Tenancy Annual Cap(s)”</b>	the annual maximum amount of rental/ licence fee received or receivable by Emperor E Hotel Group under the Definitive Leasing Agreements in respect of the Tenancy Transactions for each of the financial periods during the Term
<b>“Annual Caps”</b>	in respect of Emperor W&J: the Aggregate Right-of-Use Annual Caps and the Aggregate Rental Expense Annual Caps; or in respect of Emperor E Hotel: the Aggregate Tenancy Annual Caps
<b>“Annual Rental Payment”</b>	the annual amount of effective rental/ licence fee received or receivable from Emperor W&J Group by Emperor E Hotel Group under the Definitive Leasing Agreements, including any management fee (if any) and charges
<b>“Board”</b>	the board of directors of the relevant Party
<b>“Definitive Leasing Agreement(s)”</b>	definitive agreement(s) which has/ have been entered or may be entered into between any member of Emperor E Hotel Group and any member of Emperor W&J Group from time to time in relation to any of the Tenancy Transactions (setting out the terms of each tenancy including the parties, detailed description of the

properties, usage, duration, rental and specific terms such as rent free period, early termination, deposits, fees and charges) subsisting as at the date hereof and at any time during the Term

<b>“Dr. Albert Yeung”</b>	Dr. Yeung Sau Shing, Albert
<b>“Emperor E Hotel Group”</b>	Emperor E Hotel and its subsidiaries from time to time
<b>“Emperor W&amp;J Group”</b>	Emperor W&J and its subsidiaries from time to time
<b>“Fixed Lease Payment”</b>	a fixed dollar amount of periodic rental / licence fee paid or payable to Emperor E Hotel Group by Emperor W&J Group under the Definitive Leasing Agreement
<b>“HKFRS”</b>	Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants
<b>“Independent Shareholders”</b>	the shareholders of the relevant Party that do not have material interests in the Agreement
<b>“Listing Rules”</b>	the Rules Governing the Listing of Securities on the Stock Exchange
<b>“Stock Exchange”</b>	The Stock Exchange of Hong Kong Limited
<b>“subsidiary(ies)”</b>	has the meaning ascribed to it under the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
<b>“Tenancy Transactions”</b>	all existing and future tenancy/ licence transactions between members of Emperor E Hotel Group as landlords and members of Emperor W&J Group as tenants for leasing Emperor E Hotel Group’s office properties and other properties as contemplated under the Master Leasing Agreements, this Agreement and the Definitive Leasing Agreements
<b>“Term”</b>	term of this Agreement as defined under Clause 4.1
<b>“Variable Lease Payment(s)”</b>	variable amount of payment linked to revenue generated from the leased properties paid or payable to Emperor E Hotel Group by Emperor W&J Group under the Definitive Leasing Agreement(s)

1.2 In this Agreement, words incorporating the masculine gender only include the feminine and neuter genders and words incorporating the singular number only include the plural and vice versa.

1.3 Unless otherwise stated, references to Clauses and Sub-clauses are references to clauses and sub-clauses of this Agreement.

- 1.4 Clause headings are for ease of reference only and shall not affect the construction or interpretation of this Agreement.
- 1.5 References to persons shall include bodies corporate, unincorporated associations and partnerships.
- 1.6 References to writing shall include typewriting, printing, lithography, photography and facsimile messages and other modes of reproducing words in a legible and non-transitory form.
- 1.7 Where any obligation, representation, warranty or undertaking in this Agreement is expressed to be made, undertaken or given by two or more parties, they shall be jointly and severally responsible in respect of it.

## **2. TENANCY TRANSACTIONS**

- 2.1 The relevant members of Emperor E Hotel Group and the relevant members of Emperor W&J Group entered, and may from time to time enter, into Definitive Leasing Agreement(s) in relation to any Tenancy Transactions upon, and subject to, the terms and conditions as may be agreed between the relevant parties.
- 2.2 As at the date hereof, several Tenancy Transactions have been concluded and signed, and the Parties wish to restate their intention and principles for all the Tenancy Transactions as follows:
  - a) all the Tenancy Transactions have been and shall be conducted in the usual and ordinary course of business of both Emperor E Hotel Group and Emperor W&J Group, and are in the interest of their respective shareholders as a whole;
  - b) the terms of each Definitive Leasing Agreement have been and shall be on normal commercial terms or on terms which are no less favourable than those offered by independent third parties;
  - c) the terms of the Tenancy Transactions have been and shall be arrived at after arm's length negotiation and the amount of rental thereunder the respective Definitive Leasing Agreements shall be determined based on the condition of the properties and with reference to the then prevailing market rents on premises comparable in location, area and permitted use;
  - d) all the Tenancy Transactions have been and shall be concluded in compliance with all applicable provisions of the Listing Rules, the applicable laws, this Agreement and the relevant Definitive Leasing Agreement; and
  - e) the tenants have/ shall have the option to consider third party landlords and premises other than the properties of the Emperor E Hotel Group.
- 2.3 In order to comply with Clause 2.2, the Parties acknowledge and agree that the consideration and other terms for each Definitive Leasing Agreement were or will be determined according to the protocol agreed from time to time, including:
  - a) for all Tenancy Transactions, the landlord will liaise with the potential tenant

regarding the rental matter of the subject premises by providing a rent quote, verbally or in writing, to the tenant for consideration;

- b) the rent quote is decided based on the valuation of the subject premises (as appropriate), market prices of similar properties within the proximity, condition of the subject premises and any other factor as deemed to be applicable by the landlord;
- c) as appropriate, the landlord will arrange for an on-site visit as requested by the tenant;
- d) if the rent quote is acceptable, or after further negotiation the rent quote is acceptable, the landlord will provide a tenancy agreement in the standard form to the tenant for reviewing; and
- e) the tenant, following its internal discussion with its management, will consider either to accept the rent quote which is either better than or equal to the currently available market comparative quotes obtained by the tenant for similar properties (with comparable conditions including but not limited to location, usable space, available facilities, quality and rental period), and proceed with the tenancy/licences or reject the rent quote and decline to proceed further.

### **3. ANNUAL CAPS**

- 3.1 The Annual Caps for the relevant financial years / period(s) during the Term shall be set out in the relevant respective announcements and/or circulars (as appropriate) issued by the Parties (as the case may be) from time to time (“**the Relevant Announcement(s) and Circular(s)**”), and such Annual Caps shall take effect after obtaining the approval by the Board and, where appropriate, the Independent Shareholders of the relevant Party.
- 3.2 The Annual Caps have been or shall have been determined based on the terms of the existing Definitive Leasing Agreements, the historical Annual Rental Payment and the expected Annual Rental Payment, Fixed Lease Payment and/or Variable Lease Payment (where applicable), increase of floor space of Emperor E Hotel Group through acquisition or own development, availability of suitable rental space for the counter party and any other relevant factors, considering the then market condition and economic factors, and such other factors as set out in the Relevant Announcements and Circulars.

### **4. TERM OF THIS AGREEMENT**

- 4.1 Subject to the terms herein set out, this Agreement shall take effect as from 1 April 2024 to and including **31 March 2027** or such other date (subject to a maximum period of three years) as agreed by the Parties from time to time as set out in the Relevant Announcements or Circulars issued by the Parties pursuant to the Listing Rules (the “**Term**”).
- 4.2 Subject to compliance with the then relevant requirements of the Listing Rules, or any waiver obtained from strict compliance with such requirements, upon expiration of the initial term or subsequent renewal term, this Agreement shall be automatically renewed for a successive period of 3 years thereafter (or such other period permitted under the Listing Rules), unless terminated earlier in accordance with this Agreement.

**5. TERMINATION**

- 5.1 Notwithstanding anything contained in this Agreement, either Party shall have the right to terminate this Agreement by serving not less than 60 days' written notice to the other Party. Upon termination, the Annual Caps shall cease to have any effect as between the Parties.
- 5.2 Termination of this Agreement pursuant to this Clause 5 shall not have any effect on the validity and legality of any concluded Definitive Leasing Agreements or any future tenancy/leasing agreements between the Parties.

**6. GENERAL**

- 6.1 This Agreement may be signed in any number of counterparts, all of which taken together shall constitute one and the same instrument. Any Party may enter into this Agreement by signing any such counterpart.
- 6.2 No amendment to this Agreement will be effective unless it is in writing and signed by both Parties. No consent or approval to be given pursuant to this Agreement will be effective unless it is in writing and signed by the relevant Party.
- 6.3 On termination of this Agreement, each Party's rights and obligations will immediately cease provided that such termination shall not affect any rights and obligations of the Parties which relate to any period following termination nor shall it affect any accrued rights and obligations of the Parties as at the date of termination.
- 6.4 The Parties shall do and execute or procure to be done and executed all such further acts, deeds, things and documents as may be necessary to give effect to the terms of this Agreement.

**7. GOVERNING LAW**

- 7.1 This Agreement is governed by and shall be construed in accordance with the laws of Hong Kong.
- 7.2 Each Party submits to the exclusive jurisdiction of the courts of Hong Kong for all purposes relating to this Agreement. Nothing contained in this Clause 7 shall limit the right of any Party to take proceedings against any other in any other court of competent jurisdiction, nor shall the taking of proceedings in one or more jurisdictions preclude the taking of proceedings in any other jurisdiction, whether concurrently or not, to the extent permitted by the law of such other jurisdiction.

**IN WITNESS WHEREOF** the Parties have executed this Agreement on the day and year first above written.

**EXECUTION PAGE**

**SIGNED** by  
duly authorized for and on behalf of  
**EMPEROR ENTERTAINMENT  
HOTEL LIMITED**

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**SIGNED** by  
duly authorized for and on behalf of  
**EMPEROR WATCH &  
JEWELLERY LIMITED**

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**EXECUTION PAGE**

**SIGNED** by  
duly authorized for and on behalf of  
**EMPEROR ENTERTAINMENT  
HOTEL LIMITED**

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**SIGNED** by  
duly authorized for and on behalf of  
**EMPEROR WATCH &  
JEWELLERY LIMITED**

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