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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)

2022/2023 ANNUAL RESULTS ANNOUNCEMENT

The board of directors (the “Board” or “Directors”) of Emperor International Holdings Limited (the “Company”) announces the audited consolidated results of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 March 2023 (the “Year”).

FINANCIAL SUMMARY	For the year ended	
	31 March	
	2023	2022
	HK\$'000	HK\$'000
Total revenue	1,210,682	2,329,324
– Rental income	870,769	904,402
– Property sales	79,240	1,025,152
– Hotel and hotel related operations	260,673	399,770
Gross profit	590,026	813,293
Fair value (loss) on investment properties	(1,804,437)	(488,877)
(Loss) attributable to the owners of the Company	(2,141,983)	(469,329)
Basic (loss) per share	HK\$(0.58)	HK\$(0.13)

MANAGEMENT DISCUSSION AND ANALYSIS

RESULTS

As a result of a tough business operating environment, the Group's total revenue was HK\$1,210.7 million (2022: HK\$2,329.3 million) during the Year. Although the abundant office space supply has resulted in a competitive landscape, the Group's rental income remained broadly stable at HK\$870.8 million (2022: HK\$904.4 million) during the Year, representing 71.9% (2022: 38.8%) of total revenue. Revenue from the sales of property development was HK\$79.2 million (2022: HK\$1,025.2 million), accounting for 6.6% (2022: 44.0%) of the total revenue. Revenue from the hospitality segment decreased to HK\$260.7 million (2022: HK\$399.8 million), which accounted for 21.5% (2022: 17.2%) of the total revenue.

Gross profit was HK\$590.0 million (2022: HK\$813.3 million). Due to a drop in the total revenue and an increase in the fair value loss on investment properties, a loss for the Year attributable to the owners of the Company of HK\$2,142.0 million (2022: HK\$469.3 million) was therefore recorded. Basic loss was HK\$0.58 (2022: basic earnings of HK\$0.13) per share. The Board recommended a payment of a final dividend of HK\$0.003 (2022: HK\$0.016) per share. Together with the interim dividend of HK\$0.005 (2022: HK\$0.015) per share, the total dividends for the Year are HK\$0.008 (2022: HK\$0.031) per share.

MARKET REVIEW

In 2022, the Hong Kong economy was generally weakened as economic activities were dampened by the fifth wave of the pandemic and, subsequently, the deteriorated external environment and tighter financial conditions. Nonetheless, with the removal of quarantine arrangements for inbound visitors, resumption of normal travel between Hong Kong, Macau and mainland China, and eased social distancing measures in early 2023, business travel and leisure activities have resumed, giving impetus to the rebound of the economy.

During the Year, although more employees returned to workplaces, the increase in office space supply and yet-to-return overseas corporations led to an increase in vacancies, and together with the low IPO volumes and business activities which have impacted demand, this resulted in the office leasing market facing continuing pressure. However, supported by improved consumption sentiment and gradual return of tourists in the last quarter of the Year, the retail leasing market has picked up modestly.

Regarding the property sales market, factors including the macroeconomic environment, geopolitical tensions, stock market turbulence, and interest rate hikes remained the key concerns affecting buyers' purchase decisions. Potential buyers have accordingly diversified their investment portfolios, and the property market has inevitably been impacted. Nonetheless, investment sentiment improved with the full border reopening, and property developers have accelerated the launch of new properties accordingly.

BUSINESS REVIEW

Based in Hong Kong, the Group principally engages in property investment, property development and hospitality businesses. The Group's property portfolio covers a total area of approximately 5,300,000 square feet in Greater China and the United Kingdom.

Rental Income

The Group's investment properties portfolio primarily focuses on commercial buildings and quality street-level retail spaces in prominent locations, with an aggregate gross floor area of approximately 2,600,000 square feet. In the past decade, the Group has strived to further develop beyond its origins, notably by expanding its coverage from Greater China to the United Kingdom, enabling it to possess a geographically balanced property portfolio. By doing so, the Group can diversify its rental income streams and minimise impacts due to market volatility.

Hong Kong

Hong Kong accounted for approximately 50% of the Group's total gross floor area of investment properties currently for lease. As at 31 March 2023, the occupancy rate of the Group's investment properties in Hong Kong was approximately 90%.

The Group owns many premium offices, commercial and industrial complexes which mainly include ***Emperor Group Centre*** and ***China Huarong Tower*** in Wan Chai; ***Emperor Commercial Centre*** in Central; and ***Emperor Hollywood Centre*** in Sheung Wan.

The Group continually strives to enhance the value and maximise the potential rental income of its premises by undertaking redevelopment programme. The project at ***No. 81 Lockhart Road***, Wan Chai, has been transformed into a Grade-A office building with a gross floor area of approximately 126,600 square feet. The redevelopment creates a vibrant building in the heart of Wan Chai – one of the core commercial districts on Hong Kong Island – and presents significant value-creation opportunities to the Group.

Regarding the redevelopment project for ***Bhotai Industrial Building & Shan Ling Industrial Building*** in Tuen Mun, the two adjacent buildings are expected to be demolished and redeveloped into a building for use by data centres. Requests for relaxation of the plot ratio and the building height restriction have been submitted to the Town Planning Board. The project is in line with the government's policy to promote the development of innovation and technology, revitalise industrial buildings and optimise the use of valuable land resources.

The Group also generated rental income from numerous retail spaces in popular residential and shopping districts. Key investment properties include **the pulse** in Repulse Bay; **retail shops of Fairview Height** at Mid-levels; **retail shops at Level 3, New Town Commercial Arcade** in Tuen Mun; **Nos. 8, 20, 22-24 and 50-56 Russell Street** in Causeway Bay; and **Nos. 81, 83 Nathan Road, Nos. 35-37 Haiphong Road and Nos. 25-29 Hankow Road** in Tsim Sha Tsui.

Conveniently located in **Emperor Group Centre, Mustard Seed**, the Group's co-working space, is designated to offer freelancers, innovators and entrepreneurs a convenient and affordable working space with a host of complimentary amenities. In support of the "Space Sharing Scheme for Youth" introduced by the government, **Mustard Seed** offers a wide range of leasing options for young entrepreneurs who are starting their own businesses, and provides a resourceful and supportive environment for gritty entrepreneurs to thrive.

During the Year, the Group completed the disposal of **Lane Up**, in Tuen Mun, New Territories, at a consideration of approximately HK\$1,141.2 million. The property is located beyond the central business districts, and is regarded as a non-core investment property with limited chances of further enhancement of rental yield or substantial value appreciation. The Group viewed the sale as a good opportunity to crystallise the asset's appreciated value of approximately HK\$882.6 million against its total investment cost of approximately HK\$277.4 million (including the acquisition cost and the cost of the revitalisation exercise). The net proceeds of approximately HK\$1,140.7 million will strengthen the Group's financial position for future investment opportunities and enhance its investment portfolio for higher returns.

Mainland China

Located in Chang'an Avenue East, Beijing, **Emperor Group Centre Beijing** is a 28-storey (excluding three-storey basement with parking facilities) Grade-A office tower and premier shopping mall with premium cinema, encompassing a gross floor area of approximately 1,062,000 square feet. It becomes an important part of Yong'anli CBD and marked a major milestone for the Group in developing upscale commercial projects in mainland China. It has therefore attracted reputable office tenants, multiple international superior jewellery, watch, and high-quality lifestyle product brands, as well as special trendy food and beverage tenants from different countries. **Emperor Group Centre Beijing** gives full play to advanced structural systems, intelligent technology, and energy saving technology to create a new commercial image with a balance between environment and urban economic development.

Macau

With a gross floor area of approximately 29,600 square feet, **Emperor Nam Van Centre** is a multi-storey premium retail complex located at the centre of Macau Peninsula. It has become a prime shopping location with a blend of shopping and lifestyle offerings, featuring a fitness centre, sportswear, cosmetic and jewellery stores.

London

The Group owns a 7-storey (including basement) retail and office complex at **Nos. 181-183** as well as **Ampersand Building** at **Nos. 111-125** on **Oxford Street**, London. **Ampersand Building** is an 8-storey (including basement) composite building comprising retail spaces, office premises and apartments under lease with a gross floor area of approximately 112,500 square feet (for retail and office portions only). Located in the prime retail and vibrant SOHO office area of London's West End, it is also in close proximity to the Tottenham Court Road Crossrail development, thereby enjoying significant pedestrian traffic and excellent accessibility.

The redevelopment project of a 9-storey retail and office building with a gross floor area of approximately 19,300 square feet at **Nos. 25-27 Oxford Street** has been completed. It occupies a prominent commercial and shopping location in London that is popular with international visitors. During the Year, some of the floors have been leased out.

Property Sales

The Group pursues a strategy of providing quality residential properties including luxury composite buildings in popular urban areas, and low-rise detached houses in unique spots, with convenient access to transportation networks. A steady development pipeline has been established, which will provide medium-term contributions to the sale of residential units, for earnings visibility.

Projects completed and launched for sale

Located at No. 8 Mosque Street, Mid-Levels, **Central 8** is a 29-storey (including lower ground floor) boutique residential tower, offering 99 units with studio to 2-bedroom layouts. Adjacent to SOHO area and Lan Kwai Fong, it is in close proximity to the Central-Mid-Levels Escalator, with convenient access to the central business district. As at 31 March 2023, 62 units were sold with an average selling price of over HK\$30,000 per square feet, and the 37 remaining units were available for sale.

Seaside Castle is a prime residential project located at No. 9 Ching Lai Road, Tai Lam, Tuen Mun which comprises 8 luxurious detached houses with sea views, encompassing a gross floor area of approximately 29,000 square feet. With close proximity to new transportation infrastructure such as Hong Kong-Shenzhen Western Corridor and the Hong Kong-Zhuhai-Macau Bridge, the project has convenient access to the cities in the Greater Bay Area. It is also close to the prestigious Harrow International School. As at 31 March 2023, 2 houses were sold. Subsequent to the Year, another house was also sold with contracted sales amount of approximately HK\$126.4 million. The relevant sales income will be recorded in subsequent financial year.

No. 15 Shouson, located in Southern District, Hong Kong Island, is a signature luxury residential project boasting a gross floor area of approximately 87,200 square feet. In proximity to Aberdeen Tunnel and a network of prestigious schools, the site has been developed into 15 low-density luxury villas, complemented by comprehensive auxiliary facilities. The project was launched to the market in May 2022. During the Year, 1 house was sold and 1 house was contracted. Besides, the Group has completed the acquisition of an additional 10% stake in this project during the Year, such that the Group's shareholding in this project increased from 40% to 50%, enabling the Group to generate more income in future. The details of the acquisition were set out in the Company's announcement dated 16 September 2022.

Other projects under development

The existing buildings at **Nos. 72-80 Old Main Street Aberdeen**, Aberdeen, have been demolished and will be redeveloped into a 23-storey residential and retail building with a gross floor area of approximately 50,300 square feet. Located in Aberdeen town centre, it is conveniently accessed by a variety of public transport. Pre-sale is expected to be launched in the second half of 2023, while the project is scheduled for completion in 2024.

The site at **Nos. 20-26 Old Bailey Street & No.11 Chancery Lane**, Central, is planned for redevelopment into a 26-storey boutique luxury residential tower. Adjacent to SOHO area and Lan Kwai Fong, it is in close proximity to Central-Mid-Levels Escalator, with convenient access to the central business district. The redevelopment is planned to be completed in 2024.

No. 1 Wang Tak Street, Happy Valley, a site previously occupied by Emperor (Happy Valley) Hotel, will be redeveloped into a 27-storey residential tower with a gross floor area of approximately 58,100 square feet. Happy Valley is a traditional luxury residential location on Hong Kong Island, with easy access to major shopping and business districts such as Causeway Bay and Wan Chai, and in close proximity to major facilities such as the Hong Kong Jockey Club, Hong Kong Sanatorium & Hospital and Hong Kong Stadium. Foundation works have been completed and superstructure works are in progress. The project is scheduled for completion in 2024 or after.

The existing buildings at **Nos. 24-30 Bonham Road**, Mid-levels, have been demolished and will be redeveloped into a 27-storey residential complex with a gross floor area of approximately 105,400 square feet. It is just 5 minutes walk away from the Sai Ying Pun MTR station. The redevelopment is scheduled for completion in 2024 or after.

The existing building at **No. 127 Caine Road**, Mid-levels, is planned to be redeveloped into a 23-storey residential and retail tower with a gross floor area of approximately 24,700 square feet. It is around 3 minutes and 5 minutes walk from PMQ and SOHO areas, respectively, and has convenient access to several leisure spots and multinational restaurants in Mid-levels. The redevelopment is scheduled for completion in 2025 or after.

Hotel and Hotel Related Operations

As at 31 March 2023, Emperor Entertainment Hotel Limited (“Emperor E Hotel”; Hong Kong stock code: 296), a subsidiary of the Company which engages in provision of hospitality and entertainment services, owned six hotels and serviced apartments in Hong Kong and Macau, as follows:

- **The Emperor Hotel** and three blocks of **The Unit Serviced Apartments** – namely **The Unit Morrison Hills** (formerly known as MORI MORI), **The Unit Happy Valley** (formerly known as The Unit) and **The Unit Davis** – in Hong Kong;
- **Grand Emperor Hotel** and **Inn Hotel** in Macau.

During the Year, the Group completed the disposal of a 22-storey serviced apartments located on Davis Street, Hong Kong – namely **The Unit Davis**, at a consideration of HK\$490.0 million, to Emperor E Hotel. The recurrent income from **The Unit Davis** has continued to be consolidated to the Group. The net proceeds from this disposal will improve the liquidity of the Group and save an additional reserve for supporting its business development in future. The details of this disposal were set out in the joint announcement of the Company and Emperor E Hotel dated 15 July 2022.

During the period between 27 June 2022 and 31 December 2022 (the “Period”), the gaming operation in **Grand Emperor Hotel** was run by SJM Resorts, S.A. (“SJM”). Emperor E Hotel entered into a service agreement with SJM for the provision of the hotel rooms, catering and other ancillary services for the gaming operation run by SJM in **Grand Emperor Hotel** during the Period. The recurrent income from the provision of the hotel rooms, catering and other ancillary services to SJM has continued to be consolidated to the Group.

Following the Macau Government’s announcement of the awarding of 10-year gaming concessions to six casino operators including SJM, the Group entered into an agreement with SJM on 30 December 2022 for the provision of services including but not limited to selling, promotion, publicity, management and customer development to SJM in **Grand Emperor Hotel** for a term of 3 years commencing 1 January 2023. The recurrent income from the provision of these services to SJM has continued to be consolidated to the Group.

OUTLOOK

The fully reopened borders between Hong Kong, Macau and mainland China, and the lifting of inbound quarantine measures for all travellers, have undoubtedly contributed to the revival of consumption and investment sentiment thanks to the return of tourists and business travellers. In the meantime, a number of issues such as interest rate hikes, tightened monetary policies, and geopolitical tensions remained unresolved. The local economy is facing both opportunities and challenges on the road to full recovery.

An increase in office leasing inquiries was seen recently, as business activities resumed to a certain extent. Nevertheless, it will take time for the market to absorb the abundant supply; hence the office leasing market will continue facing intense competition. With the retail market regaining momentum, the Group’s retail leasing – especially in tourist areas – is poised to benefit.

Investment sentiments of home buyers and investors have become more positive, given clearer visibility. The reopening of borders has also had a positive effect on the luxury property market. Property developers have been proactively pushing ahead with sales launches since the beginning of 2023, and these have received positive feedback from the market. With the Group's solid development properties pipeline, it will strive to seize the opportunities given the huge demand for yet limited supply of housing. The Group will continue promptly adjusting its strategies in response to changes in the market, and maintain a balanced property portfolio to diversify business risk and achieve steady development.

FINANCIAL INFORMATION

Liquidity and Financial Resources

As at 31 March 2023, the Group's net asset value and net asset value per share amounted to HK\$23,887.2 million (2022: HK\$26,765.8 million) and HK\$6.50 (2022: HK\$7.28) per share, respectively.

The Group had cash, bank balances and bank deposits amounted to HK\$2,367.9 million (2022: HK\$1,567.2 million) as at 31 March 2023. The total external borrowings (excluding payables) was approximately HK\$22,444.0 million (2022: HK\$22,711.0 million), and the Group's net gearing ratio (measured by net debts as a percentage to its total asset value) was 39.3% (2022: 38.7%).

To finance its operations, the Group utilises cash flow generated from business operations and maintains multiple channels of funding sources including bank borrowings and bond issuances. As at 31 March 2023, the outstanding principal of the medium-term notes issued by the Group was HK\$1,247.3 million (2022: HK\$1,442.4 million), which were denominated in Hong Kong dollar and United States dollar at fixed rates ranging from 4.4% to 4.9% per annum. The Board considers that the Group has sufficient financial resources to redeem the medium-term notes.

The Group's bank balances and cash were denominated in Hong Kong dollars, Renminbi ("RMB"), Macau Pataca and Sterling Pound ("Pound"). The Group is exposed to certain foreign exchange risks caused by market fluctuations in RMB and Pound as a small portion of the Group's bank borrowings were denominated in RMB and Pound. The Group closely monitors its overall foreign exchange exposure and will adopt appropriate measures to mitigate the currency risks, if necessary.

Assets Pledged

As at 31 March 2023, assets with carrying value of HK\$37,056.8 million (2022: HK\$40,516.3 million) were pledged as security for banking facilities.

APPOINTMENT OF VICE CHAIRMAN OF THE BOARD

During the Year, the Company appointed Mr. Yeung Ching Loong, Alexander ("Mr. Alex Yeung"), as the Vice Chairman of the Board. Mr. Alex Yeung will assume greater responsibility for guiding the Group's major long-term strategic development. In addition, while maintaining the Group's competitive edge, Mr. Alex Yeung will steadily strengthen the Group's core businesses and management proposition, and develop new and emerging businesses. The details of the appointment were set out in the Company's announcement dated 2 May 2022.

EMPLOYEES AND REMUNERATION POLICY

The total cost incurred for staff, including Directors' emoluments, was HK\$434.4 million (2022: HK\$513.5 million) during the Year. The number of staff decreased to 850 (2022: 1,208) as at 31 March 2023. Each employee's remuneration was determined in accordance with the individual's responsibility, competence and skills, experience and performance, as well as market pay levels. Staff benefits include medical and life insurance, retirement benefits and other competitive fringe benefits.

To provide incentive or reward to the staff, the Company has adopted a share option scheme, particulars of which will be set out in the section headed "Share Options" of the Company's annual report.

FINAL DIVIDEND

The Board is pleased to recommend the payment of a final dividend of HK\$0.003 (2022: HK\$0.016) per share ("Final Dividend") for the Year, subject to the approval of the shareholders at the forthcoming annual general meeting of the Company ("AGM") to be held on 19 September 2023 (Tuesday). If being approved, the Final Dividend will be paid on 16 October 2023 (Monday) to shareholders whose names appear on the register of members of the Company on 29 September 2023 (Friday).

CLOSURE OF REGISTER OF MEMBERS

For ascertaining shareholders' right to attend and vote at AGM

Latest time to lodge transfers	4:30 p.m. on 13 September 2023 (Wednesday)
AGM	19 September 2023 (Tuesday)

For ascertaining shareholders' entitlement to the proposed Final Dividend

Latest time to lodge transfers	4:30 p.m. on 27 September 2023 (Wednesday)
Book close dates	28 September 2023 (Thursday) to 29 September 2023 (Friday) (both days inclusive)
Record date	29 September 2023 (Friday)
Final Dividend payment date	16 October 2023 (Monday)

In order to qualify for the right to attend and vote at the AGM and for the entitlement to the proposed Final Dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's Hong Kong Branch Share Registrar, Tricor Secretaries Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration before the above respective latest time.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 March 2023

	Notes	2023 HK\$'000	2022 HK\$'000
Revenue			
Contracts with customers	3(a)	339,913	1,424,922
Leases	3(b)	870,769	904,402
		<u>1,210,682</u>	<u>2,329,324</u>
Total revenue		1,210,682	2,329,324
Cost of properties sales		(64,953)	(862,049)
Cost of hotel and hotel related operations		(406,808)	(508,415)
Direct operating expenses in respect of leasing of investment properties		(148,895)	(145,567)
		<u>590,026</u>	<u>813,293</u>
Gross profit		590,026	813,293
Other income		94,421	97,878
Fair value changes of investment properties		(1,804,437)	(488,877)
Gain on disposal of a subsidiary		212,069	–
Other gains and losses	5	(285,117)	(246,979)
Impairment allowance recognised for trade receivables		(1,346)	(921)
Selling and marketing expenses		(107,471)	(203,664)
Administrative expenses		(287,909)	(373,718)
Finance costs		(690,389)	(386,201)
Share of result of an associate		(12,447)	(804)
Share of result of a joint venture		(6,628)	(41,152)
		<u>(2,299,228)</u>	<u>(831,145)</u>
Loss before taxation	6	(2,299,228)	(831,145)
Taxation credit	7	97,642	91,503
		<u>(2,201,586)</u>	<u>(739,642)</u>
Loss for the year		(2,201,586)	(739,642)
Loss for the year attributable to:			
Owners of the Company		(2,141,983)	(469,329)
Non-controlling interests		(59,603)	(270,313)
		<u>(2,201,586)</u>	<u>(739,642)</u>
Loss per share			
Basic	9	HK\$(0.58)	HK\$(0.13)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2023

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Loss for the year	(2,201,586)	(739,642)
Other comprehensive (expense) income		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Exchange differences arising on translation of foreign operations:		
– subsidiaries	(666,372)	277,285
– an associate	(9,709)	5,372
	<u>(676,081)</u>	<u>282,657</u>
Other comprehensive (expense) income for the year	<u>(676,081)</u>	<u>282,657</u>
Total comprehensive expense for the year	<u>(2,877,667)</u>	<u>(456,985)</u>
Total comprehensive expense for the year attributable to:		
Owners of the Company	(2,818,064)	(186,672)
Non-controlling interests	(59,603)	(270,313)
	<u>(2,877,667)</u>	<u>(456,985)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2023

	<i>Notes</i>	2023 HK\$'000	2022 <i>HK\$'000</i>
Non-current assets			
Investment properties		37,944,753	41,794,471
Property, plant and equipment		2,723,519	2,806,112
Deposits paid for acquisition of investment properties/property, plant and equipment		2,182	1,681
Receivables related to a development project		169,628	183,097
Right-of-use assets		466,235	488,962
Interest in an associate		110,230	132,386
Interest in a joint venture	10	1,327,580	963,157
Goodwill		1,940	1,940
Other assets		3,997	3,997
Pledged bank deposits		–	64,134
		42,750,064	46,439,937
Current assets			
Inventories		11,312	12,014
Properties held for sale	11	582,409	668,509
Properties under development for sale		4,861,331	5,262,205
Trade and other receivables	12	471,528	723,474
Taxation recoverable		7,417	21,216
Deposit in designated bank account for development properties		9,885	10,569
Pledged bank deposits		66,187	354
Short-term bank deposits		56,789	314,339
Bank balances and cash		2,311,133	1,252,888
		8,377,991	8,265,568

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

At 31 March 2023

	<i>Notes</i>	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Current liabilities			
Trade and other payables	13	801,982	889,347
Contract liabilities		2,735	10,491
Amount due to an associate		137,079	147,964
Amount due to a related company		1,404,128	1,701,327
Amounts due to non-controlling interests of subsidiaries		39,523	39,523
Taxation payable		97,098	149,752
Unsecured notes – due within one year		867,963	199,358
Bank borrowings – due within one year		7,803,510	3,643,614
Lease liabilities – due within one year		2,893	4,337
		<u>11,156,911</u>	<u>6,785,713</u>
Net current (liabilities) assets		<u>(2,778,920)</u>	<u>1,479,855</u>
Total assets less current liabilities		<u>39,971,144</u>	<u>47,919,792</u>
Non-current liabilities			
Contract liabilities		–	538
Unsecured notes – due after one year		379,351	1,243,078
Bank borrowings – due after one year		11,949,488	15,884,126
Lease liabilities – due after one year		33,041	37,638
Deferred taxation		1,800,942	1,986,909
		<u>14,162,822</u>	<u>19,152,289</u>
Net assets		<u>25,808,322</u>	<u>28,767,503</u>
Capital and reserves			
Share capital		36,775	36,775
Reserves		23,850,421	26,729,039
		<u>23,887,196</u>	<u>26,765,814</u>
Equity attributable to owners of the Company		23,887,196	26,765,814
Non-controlling interests		1,921,126	2,001,689
		<u>25,808,322</u>	<u>28,767,503</u>
Total equity		<u>25,808,322</u>	<u>28,767,503</u>

NOTES:

1. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (“Listing Rules”) and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the going concern basis which assumes the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business. Management continues to closely monitor the liquidity position of the Group to ensure adequate liquidity is maintained.

As at 31 March 2023, the Group’s current liabilities exceeded its current assets by HK\$2,779 million. The Group’s current liabilities amounted to HK\$11,157 million, out of which HK\$7,804 million represented the current portion of bank borrowings. The liquidity of the Group is primarily dependent on its ability to maintain adequate operating cash inflows and sufficient financing to meet its financial obligations as and when they fall due.

The Directors have given careful consideration to the future liquidity and performance of the Group and its available sources of financing in assessing the Group’s ability to continue as a going concern. The following plans and measures are formulated to manage the Group’s liquidity risk and improve the Group’s financial position:

- The Group has good track records and relationship with banks which would enhance the Group’s ability on restructuring its borrowing facilities. The Group will continue to monitor its compliance of financial covenants of the Group’s bank borrowings and is confident that sufficient financing can be arranged from the refinancing or renewal of bank borrowings upon or before the maturity date.
- The Group expects to continue to generate positive operating cash flows for the next twelve months from sales of properties and rentals from investment properties.

In addition, the Group will explore opportunities to identify certain investment properties for raising new borrowing facilities or seeking for sale in the market to improve its liquidity position, if necessary.

The Directors have reviewed the Group's cash flow forecasts prepared by management of the Group, which cover a period of not less than twelve months from 31 March 2023. Taking into account of the plans and measures as described above, the Directors are of the opinion that the Group will have sufficient working capital to maintain its operations and to pay its financial obligations as and when they fall due for at least twelve months from the end of the reporting period. The Directors are satisfied that it is appropriate to prepare these consolidated financial statements on a going concern basis.

Notwithstanding the above, material uncertainty exists as to whether sufficient financing can be arranged from the refinancing or renewal of bank borrowings and operating cash flows generated from the sales of properties depending on the market condition. Should the Group be unable to operate as a going concern, adjustments might have to be made to write down the carrying values of the Group's assets to their recoverable amounts, to reclassify its non-current assets and non-current liabilities as current assets and current liabilities respectively, or to make provision for any contractual commitments that have become onerous, where appropriate.

The consolidated financial statements have been prepared on the historical cost basis except for investment properties which are measured at fair values at the end of each reporting period.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Save as described in note 2, the accounting policies adopted for preparation of the consolidated financial statements are consistent with those followed in the preparation of the Group's consolidated financial statements for the year ended 31 March 2022.

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRSs

Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRSs issued by the HKICPA for the first time, which are mandatorily effective for the Group's annual period beginning on 1 April 2022 for the preparation of the consolidated financial statements:

Amendments to HKFRS 3	Reference to the Conceptual Framework
Amendments to HKAS 16	Property, Plant and Equipment – Proceeds before Intended Use
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018 – 2020

The application of the amendments to HKFRSs in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

The Group has not early applied any new or revised HKFRSs that have been issued but not yet effective for the current year.

3. REVENUE

An analysis of the Group's revenue is as follows:

(a) Contracts with customers

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Hotel and hotel related operations:		
Recognised over time:		
Service income from gaming operations	87,740	260,581
Hotel room income	85,168	56,082
Others	13,765	609
	<u>186,673</u>	<u>317,272</u>
Recognised at a point in time:		
Food and beverage sales	74,000	82,498
	<u>260,673</u>	<u>399,770</u>
Sales of properties recognised at a point in time	<u>79,240</u>	<u>1,025,152</u>
Revenue from contracts with customers	<u><u>339,913</u></u>	<u><u>1,424,922</u></u>

(b) Leases

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Total revenue arising from leases:		
For operating leases:		
Lease payments that are fixed or depend on an index or a rate	855,857	891,114
Variable lease payments that do not depend on an index or a rate	14,912	13,288
	<u>870,769</u>	<u>904,402</u>

4. SEGMENT INFORMATION

The Group's operating and reportable segments are lease of properties, properties development and hotel and hotel related operations for the purpose of resource allocation and assessment of performance.

The segment information reported externally was analysed on the basis of their products and services provided by the Group's operating divisions which is consistent with the internal information that is regularly reviewed by the executive directors of the Company, the chief operating decision makers ("CODM"), for the purposes of resource allocation and assessment of performance. This is also the basis of organisation in the Group, whereby the management has chosen to organise the Group around differences in products and services.

Principal activities of the operating and reportable segments are as follows:

Lease of properties	Completed investment properties held for rental purpose
Properties development	Properties development and redevelopment for sale purpose
Hotel and hotel related operations	Hotel and hotel related operations in Hong Kong and Macau including mass market hall, VIP room and slot machine hall operations and provision of gaming-related marketing and public relation services for Grand Emperor Hotel in Macau

The CODM review the hotel and hotel related operations in Macau along with that in Hong Kong and hence they are grouped and identified as a single operating segment – hotel and hotel related operations.

Segment results represent the profit earned by or loss suffered from each segment without allocation of central administration costs, interest income, government subsidies, finance costs, gain on disposal of a subsidiary, share of result of an associate, share of result of a joint venture and unallocated other gains and losses. This is the measure reported to the CODM for the purpose of resource allocation and performance assessment.

Information regarding the above segments is reported below:

Business segments

For the year ended 31 March 2023	Lease of properties <i>HK\$'000</i>	Properties development <i>HK\$'000</i>	Hotel and hotel related operations <i>HK\$'000</i>	Total <i>HK\$'000</i>
<i>Segment revenue and results</i>				
Segment revenue				
– from external customers	<u>870,769</u>	<u>79,240</u>	<u>260,673</u>	<u>1,210,682</u>
Segment results before reversal of impairment losses, fair value change and write-downs	711,774	(35,956)	(270,883)	404,935
Reversal of impairment losses recognised on property, plant and equipment	–	–	31,781	31,781
Fair value decrement in investment properties	(1,804,437)	–	–	(1,804,437)
Write-downs of properties under development for sale, net	–	(251,703)	–	(251,703)
Write-downs of properties held for sale	–	(21,113)	–	(21,113)
Segment results	<u>(1,092,663)</u>	<u>(308,772)</u>	<u>(239,102)</u>	(1,640,537)
Interest income				40,733
Government subsidies				15,593
Corporate expenses, net				(217,622)
Finance costs				(690,389)
Share of result of an associate				(12,447)
Share of result of a joint venture				(6,628)
Gain on disposal of a subsidiary				212,069
Loss before taxation				(2,299,228)
Taxation credit				97,642
Loss for the year				<u>(2,201,586)</u>
<i>Other information</i>				
Amounts included in the measure of segment results:				
Depreciation of property, plant and equipment	–	–	114,460	114,460
Depreciation of right-of-use assets	–	–	21,240	21,240
Impairment allowance recognised for trade receivables	756	–	590	1,346
Loss (gain) on disposal of property, plant and equipment	<u>33</u>	<u>–</u>	<u>(1,291)</u>	<u>(1,258)</u>
Amounts regularly provided to the CODM but not included in the measure of segment results (included in corporate expenses, net):				
				<i>HK\$'000</i>
Depreciation of property, plant and equipment, at corporate level				<u>27,927</u>

For the year ended 31 March 2022	Lease of properties <i>HK\$'000</i>	Properties development <i>HK\$'000</i>	Hotel and hotel related operations <i>HK\$'000</i>	Total <i>HK\$'000</i>
<i>Segment revenue and results</i>				
Segment revenue				
– from external customers	904,402	1,025,152	399,770	2,329,324
Segment results before impairment losses, fair value change, write-downs and reversal of write-downs	743,485	67,209	(357,766)	452,928
Impairment losses recognised on goodwill	–	–	(54,743)	(54,743)
Impairment losses recognised on property, plant and equipment	–	–	(135,184)	(135,184)
Impairment losses recognised on right-of-use assets	–	–	(24,976)	(24,976)
Fair value decrement in investment properties	(488,877)	–	–	(488,877)
Write-downs of properties under development for sale, net	–	(16,373)	–	(16,373)
Reversal of write-downs of properties held for sale	–	464	–	464
Segment results	254,608	51,300	(572,669)	(266,761)
Interest income				42,928
Government subsidies				2,761
Corporate expenses, net				(181,916)
Finance costs				(386,201)
Share of result of an associate				(804)
Share of result of a joint venture				(41,152)
Loss before taxation				(831,145)
Taxation credit				91,503
Loss for the year				(739,642)
<i>Other information</i>				
Amounts included in the measure of segment results:				
Depreciation of property, plant and equipment	–	–	144,963	144,963
Depreciation of right-of-use assets	–	–	23,972	23,972
Impairment allowance recognised for trade receivables	921	–	–	921
(Gain) loss on disposal of property, plant and equipment	(479)	–	64	(415)
Amounts regularly provided to the CODM but not included in the measure of segment results (included in corporate expenses, net):				
				<i>HK\$'000</i>
Depreciation of property, plant and equipment, at corporate level				27,722

No analysis of the Group's assets and liabilities by operating segment is disclosed as they are not regularly provided to the CODM for review.

Geographical information

The Group's operations are located in Hong Kong, the People's of Republic of China ("The PRC"), Macau and the United Kingdom ("UK").

The Group's revenue from external customers and information about its non-current assets, other than receivables related to a development project and pledged bank deposits, by geographical location of the assets are detailed below:

	Revenue from customers For the year ended 31 March		Non-current assets As at 31 March	
	2023 HK\$'000	2022 HK\$'000	2023 HK\$'000	2022 HK\$'000
Hong Kong	701,720	1,638,801	26,744,900	28,778,611
The PRC	211,648	208,691	9,437,240	10,431,586
Macau	216,592	381,656	3,749,470	3,823,824
UK	80,722	100,176	2,648,826	3,158,685
	<u>1,210,682</u>	<u>2,329,324</u>	<u>42,580,436</u>	<u>46,192,706</u>

Information about major customers

During the year ended 31 March 2022, revenue derived from one customer contributed over 10% of the total revenue of the Group's revenue amounted to HK\$260,581,000 (2023: none of the customers of the Group individually contributed more than 10% of the total revenue). The revenue is related to the hotel and hotel related operations.

5. OTHER GAINS AND LOSSES

	2023 HK\$'000	2022 HK\$'000
(Write-downs) reversal of write-downs of properties held for sale	(21,113)	464
Impairment losses recognised on goodwill	–	(54,743)
Reversal of impairment losses (impairment losses) recognised on property, plant and equipment	31,781	(135,184)
Write-downs of properties under development for sale, net (<i>Note a</i>)	(251,703)	(16,373)
Impairment losses recognised on right-of-use assets	–	(24,976)
Net exchange loss	(66,387)	(16,167)
Forfeiture of unredeemed commission expenses in gaming operation (<i>Note b</i>)	22,305	–
	<u>(285,117)</u>	<u>(246,979)</u>

Notes:

- (a) During the year, the Directors reviewed the net realisable value of the properties under development for sale with reference to the current market environment and recognised write-downs of HK\$251,703,000 (2022: recognised write-downs of HK\$46,485,000 and reversed previously recognised write-downs of HK\$30,112,000).
- (b) The amount represents the forfeiture of commission payable to gaming patrons after the expiry of the redemption period.

6. LOSS BEFORE TAXATION

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Loss before taxation has been arrived at after charging:		
Depreciation of property, plant and equipment	142,387	172,685
Depreciation of right-of-use assets	21,240	23,972
and after crediting:		
Gain on disposal of property, plant and equipment	1,258	415
Government subsidies (<i>Note</i>)	15,593	2,761
	<u>15,593</u>	<u>2,761</u>

Note: During the year, the Group recognised government subsidies of HK\$9,866,000 (2022: HK\$2,761,000) in respect of Covid-19-related subsidies, of which HK\$6,007,000 (2022: Nil) related to Employment Support Scheme provided by the Hong Kong government. The remaining government grants of HK\$5,727,000 (2022: Nil) are related to rental-related subsidies from PRC government. There are no unfulfilled conditions attached to these grants.

7. TAXATION CREDIT

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Taxation credit comprises:		
<i>Current tax</i>		
Hong Kong Profits Tax	(3,479)	(6,105)
Macau Complementary Tax	(862)	(2,627)
UK Income Tax	(7,751)	(8,800)
The PRC Enterprise Income Tax	(1,411)	(1,504)
	<u>(13,503)</u>	<u>(19,036)</u>
<i>Reversal of Macau Complementary Tax provision in respect of prior years</i>	<u>52,371</u>	43,662
<i>Overprovision in respect of prior years</i>		
Hong Kong Profits Tax	235	448
UK Income Tax	–	140
	<u>235</u>	<u>588</u>
<i>Deferred taxation credit</i>	<u>58,539</u>	66,289
	<u>97,642</u>	<u>91,503</u>

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits for both years.

The Macau Complementary Tax (“CT”) is calculated at the applicable rate of 12% of the estimated assessable profits for both years.

Pursuant to the CT Law, the statutory right to issue CT assessment on the estimated assessable profits in a year of assessment will expire in five consecutive years after that year of assessment. At the end of the reporting period, the Directors reassessed the adequacy of the CT provision and determined to reverse part of the Group’s relevant CT provision of HK\$52,371,000 for the 2017 year of assessment (2022: HK\$43,662,000 for the 2016 year of assessment) accordingly.

UK Income Tax is calculated at the applicable rate of 19% of the estimated assessable profits for both years.

Under the Law of The PRC on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the tax rate of The PRC subsidiaries is 25% for both years.

8. DIVIDENDS

	2023 <i>HK\$’000</i>	2022 <i>HK\$’000</i>
Dividends recognised as distribution during the year:		
Final dividend paid in respect of 2022: HK\$0.016 per share (2022: HK\$0.012 per share in respect of 2021)	58,841	44,131
Interim dividend paid in respect of 2023: HK\$0.005 per share (2022: HK\$0.015 per share in respect of 2022)	18,387	55,163
Special dividend paid: Nil (2022: HK\$0.010 per share in respect of 2022)	–	36,775
	<u>77,228</u>	<u>136,069</u>

The final dividend of HK\$0.003 per share in respect of the year ended 31 March 2023 (2022: final dividend of HK\$0.016 per share) amounting to approximately HK\$11,033,000 has been proposed by the Board and is subject to approval by the shareholders in the forthcoming annual general meeting.

9. LOSS PER SHARE

The calculation of the basic loss per share attributable to owners of the Company is based on the following data:

	2023 <i>HK\$’000</i>	2022 <i>HK\$’000</i>
Loss		
Loss (loss for the year attributable to owners of the Company) for the purpose of basic loss per share	<u>(2,141,983)</u>	<u>(469,329)</u>
	2023	2022
Number of shares		
Weighted average number of ordinary shares in issue for the purpose of basic loss per share	<u>3,677,545,667</u>	<u>3,677,545,667</u>

Diluted loss per share is not presented as there was no dilutive potential ordinary share for both years.

10. INTEREST IN A JOINT VENTURE

Interest in a joint venture represents interest in Superb Land Limited (“Superb Land”) in which the Group holds 50% (2022: 40%) equity interest. During the year, the Group acquired 10% additional interest from one of its joint venture partners with cash consideration of HK\$65,002,000. All decisions about the relevant activities require the unanimous consent of all the joint venture partners sharing control. Superb Land holds 100% interest in Talent Charm Corporation Limited (“Talent Charm”), being the property development company of a development project located at No.15, Shouson Hill Road West, Hong Kong.

As at 31 March 2023, the Group has given a corporate guarantee of HK\$1,165,000,000 (2022: HK\$932,000,000) to a bank in respect of banking facilities granted to Talent Charm, of which HK\$1,012,738,000 (2022: HK\$932,000,000) has been utilised. In the opinion of the Directors, the fair value of the financial guarantee is not significant.

11. PROPERTIES HELD FOR SALE

The carrying amounts of properties held for sale comprise properties situated in:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Hong Kong	581,956	668,022
The PRC	453	487
	<u>582,409</u>	<u>668,509</u>

12. TRADE AND OTHER RECEIVABLES

An analysis of trade and other receivables is as follows:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Trade receivables (<i>Note a</i>)	56,069	65,673
Chips on hand (<i>Note b</i>)	–	50,444
Other receivables (<i>Note c</i>)	178,424	208,961
Deposits and prepayments	237,035	398,396
	<u>471,528</u>	<u>723,474</u>

An aging analysis of the Group’s trade receivables (net of impairment allowance) based on either the date of credit granted or the invoice date at the end of the reporting period is set out below:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
0 – 30 days	41,483	46,148
31 – 90 days	1,314	3,264
91 – 180 days	294	3,289
Over 180 days	12,978	12,972
	<u>56,069</u>	<u>65,673</u>

Notes:

- (a) No credit period was granted to tenants for rental of premises. Before accepting any new tenant, the Group will internally assess the credit quality of the potential tenant. No credit period was granted to hotel customers generally except for those high credit rating customers to whom an average credit period of 30 days were granted.

For gaming operation, the Group normally allows credit periods of up to 60 days to its credit approved customers, except for certain credit worthy customers with long term relationship and stable repayment pattern, where the credit periods are extended to a longer period.

As at 31 March 2023, included in the trade receivable balances in respect of other operations are debtors with carrying amounts of HK\$22,755,000 (2022: HK\$41,242,000) which are past due at the end of the reporting period.

- (b) Chips on hand represent chips issued by a gaming concessionaire in Macau which can be exchanged into their cash amounts.
- (c) As at 31 March 2023, included in other receivables are amount due from a related company of HK\$45,520,000 (2022: HK\$38,236,000). This related company is indirectly controlled by private discretionary trusts which is founded by Dr. Yeung Sau Shing, Albert (“Dr. Albert Yeung”), a deemed substantial shareholder of the Company. The amount is unsecured, interest-free and repayable on demand.

13. TRADE AND OTHER PAYABLES

An aging analysis of the Group’s trade payables based on invoice date at the end of the reporting period is set out below:

	2023 <i>HK\$’000</i>	2022 <i>HK\$’000</i>
0 – 90 days	24,871	25,115
91 – 180 days	330	81
Over 180 days	15	26
	<hr/>	<hr/>
	25,216	25,222
Amount due to a shareholder of an associate (<i>Note</i>)	1,356	1,463
Construction payables and accruals	299,302	357,854
Rental deposits received	273,792	283,214
Other payables and accruals	202,316	221,594
	<hr/>	<hr/>
	801,982	889,347
	<hr/> <hr/>	<hr/> <hr/>

Note: The amount due to a shareholder of an associate is unsecured, interest-free and repayable on demand.

14. DISPOSAL OF SUBSIDIARIES

During the year, the Group had disposed of the following subsidiaries:

- (a) On 30 December 2021, Emperor Property Development Limited (“EPDL”) entered into a sale and purchase agreement to dispose of the entire equity interests in Earn Benefit Limited (“Earn Benefit”), an indirect wholly-owned subsidiary of the Company, which holds a site located at Nos.67-77 Nam On Street, Shau Kei Wan, Hong Kong, and all loan due by Earn Benefit to EPDL to an independent third party at a total adjusted consideration of approximately HK\$690,915,000. The disposal was completed on 29 April 2022 with a gain of HK\$212,069,000.
- (b) On 6 January 2023, Emperor Property Investment Limited (“EPIL”) entered into a sale and purchase agreement to dispose of the entire equity interests in Famous Gain Investments Limited and its subsidiary (“Famous Gain Group”), indirect wholly-owned subsidiaries of the Company, which holds a property located at No.4 Kin Fat Lane, Tuen Mun, New Territories, Hong Kong, and all loan due by Famous Gain Group to EPIL to a company indirectly controlled by a private discretionary trust which is founded by Dr. Albert Yeung at a total adjusted consideration of approximately HK\$1,141,221,000. The disposal was completed on 16 March 2023.

During the year ended 31 March 2022, the Group had disposed of the following subsidiaries:

- (a) On 21 April 2021, EPIL entered into a sale and purchase agreement to dispose of the entire equity interests in Jade Talent Holdings Limited and its subsidiary (“Jade Talent Group”), indirect wholly-owned subsidiaries of the Company, which holds a property located at 82 Hung To Road, Kowloon, and all loan due by Jade Talent Group to EPIL to an independent third party at a total adjusted consideration of approximately HK\$485,713,000. The disposal was completed on 21 April 2021.
- (b) On 20 October 2021, EPIL entered into a sale and purchase agreement to dispose of the entire equity interests in Black Tie Holdings Limited and its subsidiary (“Black Tie Group”), indirect wholly-owned subsidiaries of the Company, which holds a property located at 45-51 Kwok Shui Road, Kwai Chung, New Territories, and all loan due by Black Tie Group to EPIL to an independent third party at a total adjusted consideration of approximately HK\$580,486,000. The disposal was completed on 20 December 2021.
- (c) On 28 December 2021, EPIL entered into a sale and purchase agreement to dispose of the entire equity interests in Fortune Silver Limited and its subsidiary (“Fortune Silver Group”), indirect wholly-owned subsidiaries of the Company engaged in the business of property investment, and all loan due by Fortune Silver Group to EPIL to a company indirectly controlled by a private discretionary trust which is founded by Dr. Albert Yeung at a total adjusted consideration of approximately HK\$429,205,000. The disposal was completed on 7 March 2022.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the Year as set out in the preliminary announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the audited consolidated financial statements of the Group for the year as approved by the Board of Directors on 23 June 2023. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

AUDIT OPINION

The consolidated financial statements have been audited by the Group's auditor, Messrs. Deloitte Touche Tohmatsu. The independent auditor has issued an unmodified audit opinion with a "Material Uncertainty Related to Going Concern" section in the auditor's report on the Group's consolidated financial statements for the year ended 31 March 2023. An extract of the independent auditor's report is set out in the section headed "EXTRACT OF THE INDEPENDENT AUDITOR'S REPORT" below.

EXTRACT OF THE INDEPENDENT AUDITOR'S REPORT

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2023, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Material Uncertainty Related to Going Concern

We draw attention to note 3.1.1 to the consolidated financial statements, which indicates that Group's current liabilities exceeded its current assets by HK\$2,779 million. The Group's current liabilities amounted to HK\$11,157 million, out of which HK\$7,804 million represented the current portion of bank borrowings as at 31 March 2023. These events or conditions, along with other matters as set forth in note 3.1.1 to the consolidated financial statements, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

The aforesaid "note 3.1.1 to the consolidated financial statements" in the extract from the Auditor's Report is disclosed as note 1 to this announcement.

REVIEW OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR

The Audit Committee of the Company, which comprises three Independent Non-executive Directors of the Company, had reviewed the audited consolidated financial statements for the Year in conjunction with the Group's independent auditor, Messrs. Deloitte Touche Tohmatsu. Based on this review and discussion with the management of the Company, the Audit Committee was satisfied that the audited consolidated financial statements were prepared in accordance with applicable accounting standards and fairly presented the Group's financial position as at 31 March 2023 and annual results for the Year.

CORPORATE GOVERNANCE

Corporate Governance Code

The Company has complied with all the code provisions of Corporate Governance Code as set out in Appendix 14 to the Listing Rules throughout the Year.

Model Code for Securities Transactions

The Company has adopted its own code of conduct regarding securities transactions by Directors ("EIHL Securities Code") on no less exacting terms than the required standards as set out in Appendix 10 to the Listing Rules regarding Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code"). Having made specific enquiry of the Directors, all of them confirmed that they had complied with the required standard of dealings as set out in the EIHL Securities Code throughout the Year.

Relevant employees who are likely to be in possession of unpublished price-sensitive information of the Group are also subject to compliance with written guidelines in line with the Model Code. No incident of non-compliance by relevant employees was noted throughout the Year.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the Year.

PUBLICATION OF THE ANNUAL RESULTS AND ANNUAL REPORT

The annual results announcement is published on the websites of the Stock Exchange (<https://www.hkexnews.hk>) and the Company (<https://www.EmperorInt.com>). The annual report of the Company will be dispatched to the shareholders of the Company and will be available on the aforesaid websites in due course.

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

Hong Kong, 23 June 2023

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

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