THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Emperor International Holdings Limited**, you should at once hand this circular with the accompanying form of proxy to the purchaser(s) or transferee(s) or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

英皇國際集團有限公司

Emperor International Holdings Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 163)

(I) VERY SUBSTANTIAL DISPOSAL AND CONNECTED TRANSACTION – DISPOSAL OF ENTIRE EQUITY INTEREST IN TARGET COMPANY AND (II) NOTICE OF ANNUAL GENERAL MEETING

Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders

PELICAN FINANCIAL
百利勤金融

Capitalised terms used in this cover page shall have the same meanings as those defined in the section headed "Definitions" of this circular.

A letter from the Board is set out from pages 5 to 14 of this circular and a letter from the Independent Board Committee to the Independent Shareholders is set out from pages 15 to 16 of this circular. A letter from Pelican, the Independent Financial Adviser, containing its advice to the Independent Board Committee and Independent Shareholders in relation to the Disposal is set out from pages 17 to 33 of this circular.

A notice convening the AGM to be held at 22nd Floor, Emperor Group Centre, 288 Hennessy Road, Wanchai, Hong Kong on Tuesday, 19 September 2023 at 11:15 a.m. is set out from pages AGM-1 to AGM-7 of this circular.

Please complete and return the accompanying form of proxy to the Company's Hong Kong Branch Share Registrar, Tricor Secretaries Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible, and in any event not less than 48 hours before the time of the AGM (by Sunday, 17 September 2023 before 11:15 a.m.) or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or adjournment thereof (as the case may be) should you subsequently so wish and in such event, the form of proxy previously submitted shall be deemed to be revoked.

23 August 2023

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In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

"AGM"	annual general meeting of the Company to be held at 22nd Floor, Emperor Group Centre, 288 Hennessy Road, Wanchai, Hong Kong on Tuesday, 19 September 2023 at 11:15 a.m., or where the context to admits, any adjournment thereof
"associates"	has the meaning ascribed to it in the Listing Rules
"Board" or "Directors"	the board of directors of the Company
"Business Day"	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 generally open in Hong Kong to the general public for business
"BVI"	the British Virgin Islands
"Company"	Emperor International Holdings Limited, an exempted company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
"Completion"	the completion of the Disposal in accordance with the terms and conditions of the Sale and Purchase Agreement
"Completion Accounts"	the accounts of the Target Group (on a combined basis) comprising a statement of profit or loss for the period from 1 April 2023 to the Completion Date and a statement of financial position as at the Completion Date
"Completion Date"	within 3 Business Days following satisfaction (or waived by the Purchaser as appropriate, except paragraph (c) and (d) under the section headed "Conditions precedent" in this circular) of all the conditions precedent to Completion pursuant to the Sale and Purchase Agreement, but in any event no later than the Long Stop Date
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"Disposal"	the disposal of the Sale Share and the Sale Loan by the Vendor to the Purchaser under the Sale and Purchase Agreement

"Dr. Yeung"	Dr. Yeung Sau Shing, Albert
"Emperor Agency" or "Purchaser"	Emperor Agency Limited, which is a company incorporated in Hong Kong whose principal business is investment holding and is indirectly controlled by a private discretionary trust as set up by Dr. Yeung
"Emperor Property" or "Vendor"	Emperor Property Investment Limited, a company incorporated in the BVI and directly wholly-owned by the Company
"Excluded Properties"	ALL THOSE 9,000 equal undivided 290,671st parts or shares of and in ALL THAT piece or parcel of ground registered in the Land Registry as INLAND LOT No. 3546 And of and in the messuages erections and buildings thereon now known as "HEALTHY GARDENS", No. 560 King's Road, Hong Kong TOGETHER with the exclusive right and privilege to hold use occupy and enjoy ALL THOSE the SECOND FLOOR, THIRD FLOOR and THE ROOF of the Podium save and except the common area
"Group"	the Company and its subsidiaries from time to time
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	Hong Kong Special Administrative Region of the People's Republic of China
"Independent Board Committee"	the independent committee of the Board, comprising all of the independent non-executive Directors, established to advise the Independent Shareholders in respect of the Disposal
"Independent Financial Adviser" or "Pelican"	Pelican Financial Limited, a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activities under the SFO and being the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the Disposal
"Independent Shareholder(s)"	the Shareholder(s) who do not have material interest in the transactions contemplated under the Sale and Purchase Agreement
"Latest Practicable Date"	16 August 2023, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein

"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Long Stop Date"	30 September 2023, or such other date as mutually agreed by the Vendor and the Purchaser
"Management Accounts"	the unaudited management accounts (on a combined basis) of the Target Group comprising a statement of profit or loss of the Target Group for the period from 1 April 2023 up to 31 May 2023 and a statement of financial position of the Target Group which was prepared based on an assumption that the Restructuring as referred to paragraph (c) under the section headed "Conditions precedent" in this circular is completed on 31 May 2023
"Mandate Circular"	circular of the Company to the Shareholders dated even date of this circular in relation to (1) notice of AGM and (2) proposals for (A) re-election of directors (B) general mandates to issue new shares and buy back shares and (C) adoption of new share option scheme
"MLA Circular"	circular of the Company to the Shareholders dated even date of this circular in relation to (I) renewal of continuing connected transactions – 2024 master leasing agreements and (II) notice of AGM setting out details, *inter alia*, of resolution nos. 9 to 13 of the AGM
"Previous Disposal"	the previous disposal of the entire issued share of Famous Gain Investments Limited and all loan, interest and all other sums owing by Famous Gain Investments Limited to Vendor, details of which are set out in the announcement and the circular of the Company dated 6 January and 10 February 2023 respectively
"Property"	ALL THOSE 45,074 equal undivided 290,671st parts or shares of and in ALL THAT piece or parcel of ground registered in the Land Registry as INLAND LOT No. 3546 And of and in the messuages erections and buildings thereon now known as "HEALTHY GARDENS", No. 560 King's Road, Hong Kong TOGETHER with the exclusive right and privilege to hold use occupy and enjoy ALL THOSE the BASEMENT and the WHOLE OF LOWER and UPPER GROUND FLOORS of the Podium save and except the common area thereon

"Property Company"	National Goal Limited, a company incorporated in Hong Kong with limited liability and directly wholly-owned by the Target Company and being the beneficial and registered owner of the Property
"Remaining Group"	the Group immediately after Completion
"Sale and Purchase Agreement"	the sale and purchase agreement dated 3 July 2023 entered into between the Vendor and Purchaser in relation to the Disposal
"Sale Loan"	all loan, interest and all other sums owing by the Target Company to the Vendor as at the Completion
"Sale Share"	1 share of US$1.00 in the Target Company, which represents all the issued share and the entire issued share capital of the Target Company
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Share(s)"	ordinary share(s) of HK$0.01 each in the share capital of the Company
"Shareholders"	holder(s) of the Shares
"sq. ft."	square feet
"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 Company"	Joybridge Services Limited, a company incorporated in the BVI and an indirect wholly-owned subsidiary of the Company
"Target Group"	Target Company and Property Company
"%"	per cent.

英皇國際集團有限公司

Emperor International Holdings Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 163)

Non-executive Director:
Ms. Luk Siu Man, Semon *(Chairperson)*

Executive Directors:
Mr. Yeung Ching Loong, Alexander *(Vice Chairman)*
Mr. Wong Chi Fai *(Managing Director)*
Ms. Fan Man Seung, Vanessa *(Managing Director)*
Mr. Cheung Ping Keung

Independent Non-executive Directors:
Mr. Chan Hon Piu
Mr. Chu Kar Wing
Mr. Poon Yan Wai

Registered office:
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Head office and principal place of business in Hong Kong:
28th Floor
Emperor Group Centre
288 Hennessy Road
Wanchai
Hong Kong

23 August 2023

To the Shareholders

Dear Sir/Madam,

(I) VERY SUBSTANTIAL DISPOSAL AND CONNECTED TRANSACTION – DISPOSAL OF ENTIRE EQUITY INTEREST IN TARGET COMPANY AND (II) NOTICE OF ANNUAL GENERAL MEETING

INTRODUCTION

Reference is made to the announcement of the Company dated 3 July 2023 whereby the Board announced that the Vendor and the Purchaser entered into the Sale and Purchase Agreement, pursuant to which, the Vendor conditionally agreed to sell, and the Purchaser conditionally agreed to purchase the entire equity interest in the Target Company and the loan due from the Target Company to the Vendor at the consideration of approximately HK$1,942.8 million (subject to adjustments).

The purpose of this circular is to provide you with, amongst other, (i) further details of the Disposal; (ii) the letter of recommendation from the Independent Board Committee; (iii) the letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders regarding the Disposal; (iv) the valuation report of the Property; (v) the financial information of the Group; (vi) the financial information of the Target Group; (vii) the unaudited pro forma financial information of the Remaining Group; (viii) other information as required under the Listing Rules; and (ix) a notice convening the AGM for the purpose of considering and, if think fit, approving, by way of poll, the Sale and Purchase Agreement and the transactions contemplated thereunder.

THE SALE AND PURCHASE AGREEMENT

Date: 3 July 2023

Vendor: Emperor Property

Purchaser: Emperor Agency

Assets to be disposed 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 Share; and (b) the Sale Loan.

Consideration and payment terms

The consideration for the Disposal payable by the Purchaser to the Vendor is approximately HK$1,942.8 million (subject to adjustments) and shall be settled by the Purchaser by cash transfer to the designated bank account of the Vendor or such other method as mutually agreed by the Vendor and Purchaser on the Completion Date.

The consideration was arrived at arm's length negotiations between the Vendor and the Purchaser on normal commercial terms with reference to the Management Accounts mainly: (i) the fair market valuation of the Property of HK$2,000.0 million as at 15 June 2023 as indicated by an independent professional valuer; (ii) the loan due from the Target Company to the Vendor of approximately HK$224.7 million as at 31 May 2023; and (iii) the unaudited net asset value of the Target Group of approximately HK$1,718.1 million as at 31 May 2023.

The consideration is subject to the following adjustments with reference to the Completion Accounts:

(a) reduced by any increase (or increased by any decrease, as the case may be) in the amount of any and all liabilities, including but not limited to, accrued expenses and deferred tax by the same amount but excluding the Sale Loan, all as shown between the Management Accounts and the Completion Accounts; and

(b) increased by any increase (or decreased by any decrease, as the case may be) in the amount (if any) of the following assets (which for the avoidance of doubt excluding the Property, fittings and equipment) of the Target Group, by the same amount, all as shown between Management Accounts and Completion Accounts:

(i) rental receivables, prepayment in respect of rates, government rent (if any), insurance premium (if any) and other outgoings recoverable from tenants, licensee or any third party in respect of the Property covering the period from but excluding the Completion Date;

(ii) refundable and subsisting management fee deposits and utility deposits placed with relevant authorities or suppliers for the supply of any utilities or services to the Property; and

(iii) other receivables (excluding rental incentives), tax recoverable, any bank or cash balance of the Target Group as at the Completion Date.

Conditions precedent

Completion shall be conditional upon the following conditions precedent:

(a) the Purchaser having completed its due diligence investigation on the business, financial, legal and other aspects of the Target Group and is reasonably satisfied with the results thereof;

(b) the Vendor having proved the good title to the Property in accordance with Section 13 of the Conveyancing and Property Ordinance and delivered to the Purchaser title deeds and documents in accordance with Section 13A of the Conveyancing and Property Ordinance and the terms of the Sale and Purchase Agreement;

(c) the Target Group having completed its restructuring so that the Property and the fittings and equipment will be the only landed properties and fixed assets of the Target Group (the "**Restructuring**"); and

(d) the approval by the Independent Shareholders of the Sale and Purchase Agreement and the transactions contemplated thereunder at the general meeting of the Company.

In the event that any of the foregoing conditions is not fulfilled (or otherwise waived by the Purchaser, except conditions (c) and (d) above which cannot be waived) in accordance with the Sale and Purchase Agreement on or before the Long Stop Date, either the Vendor or the Purchaser shall be entitled to terminate the Sale and Purchase Agreement by notice in writing to the other party whereupon, subject to the terms of the Sale and Purchase Agreement, the Vendor shall return to the Purchaser all money paid by the Purchaser to the Vendor under the Sale and Purchase Agreement (if any) forthwith without costs, compensation and interest and neither party shall have any claim against the other thereon save and except for any antecedent breach. As at the Latest Practicable Date, subject to condition (c), conditions (a) and (b) have been fulfilled. The Restructuring is expected to be completed on or before 25 September 2023.

Completion

Subject to the fulfillment of all the above conditions precedent (or waived by the Purchaser, except conditions (c) and (d) above which cannot be waived), Completion shall take place at or before 12:00 noon on the Completion Date or at such time as may be agreed by the Vendor and Purchaser in writing pursuant to the Sale and Purchase Agreement.

Immediately after Completion, the Target Group will cease to be subsidiaries of the Company and the Company will cease to have any equity interest in the Target Group.

INFORMATION OF THE COMPANY AND THE VENDOR

The Company is an investment holding company and its subsidiaries are principally engaged in property investments, property development and hospitality in the Greater China and overseas. The Vendor is a direct wholly-owned subsidiary of the Company with principal business of investment holding.

INFORMATION OF THE PURCHASER

The Purchaser is a company incorporated in the Hong Kong. Its principal business is investment holding and it is indirectly controlled by a private discretionary trust which was set up by Dr. Yeung.

INFORMATION OF THE TARGET GROUP AND THE PROPERTY

The Target Company is a company incorporated in the BVI and indirectly wholly-owned by the Company. The principal business of the Target Company is investment holding. The Property Company is a company incorporated in Hong Kong with limited liability and directly wholly-owned by the Target Company. The Property Company is engaged in the business of property investment and hold the Property and the Excluded Properties. When the Restructuring is completed, the Property Company will directly hold the Property only.

For the two years ended 31 March 2022 and 2023, the financial information of the Target Group as disclosed in "Financial Information of the Group" under Appendix II is as follows:

	For the year ended 31 March	
	2023	**2022**
	HK$'000	*HK$'000*
Revenue	68,559	69,618
(Loss) / Profit before taxation	(263,421)	58,595
(Loss) / Profit after taxation	(264,281)	57,818

The Sale Loan amounted to approximately HK$224.7 million as at 31 May 2023.

The difference in amount of the Sale Loan as at 31 March 2023 of approximately HK$754.4 million and as at 31 May 2023 of appropriately HK$224.7 million was mainly attributable to (i) rental income after operating expenses from 1 April 2023 to 31 May 2023 and (ii) the Management Account has deducted the accumulated fair value gain of Excluded Properties of approximately HK$517,000,000 through current account on the basis as if the disposal of the Excluded Properties settled through current account, while such fair value gain was reflected on the retained profits in Appendix II of this circular on the basis as if the transfer of the Excluded Properties had been completed at the beginning of relevant periods. For avoidance of doubt, the difference in the aforesaid accounting treatments has no effect on the consideration for the Disposal given the fact that difference in the net asset value was offset by the difference in amounts due to fellow subsidiaries, namely the Sale Loan.

The Property, ***Fitfort Shopping Arcade***, is a shopping mall occupying the basement, the whole lower and upper ground floor with a gross floor area of approximately 132,018 sq. ft. located at No. 560 King's Road, Hong Kong. The fair market value of the Property was HK$2,000.0 million as at 15 June 2023 as indicated by an independent professional valuer.

FINANCIAL EFFECTS OF THE DISPOSAL

Upon Completion, the Company will not hold any equity interest in the Target Group and they will cease to be subsidiaries of the Company.

Earnings

Taking into account (i) the consideration for the Disposal of approximately HK$1,942.8 million; (ii) the unaudited combined net asset value of the Target Group as stated in the Management Accounts as at 31 May 2023 in the amount of approximately HK$1,718.1 million after adjustment on the book value of the Property to HK$2,000.0 million as at 15 June 2023 as indicated in a preliminary valuation report prepared by an independent professional valuer; and (iii) the amount of Sale Loan of approximately HK$224.7 million as at 31 May 2023, the Directors do not expect to recognise any gain/loss from the Disposal.

Assets and liabilities

Pursuant to the audited consolidated financial statements of the Company as at 31 March 2023, prior to the Disposal, the Group had total assets and net current liabilities of HK$51,128.1 million and HK$2,778.9 million, respectively. The bank borrowings of the Group as at 31 March 2023 was HK$19,753.0 million. Pursuant to the unaudited pro forma financial information of the Remaining Group as set out in Appendix III to this circular, assuming the Disposal had been completed on 31 March 2023, the unaudited pro forma consolidated total assets and net current liabilities of the Remaining Group as at 31 March 2023 would be reduced to approximately HK$50,253.6 million and HK$806.6 million, respectively. Upon full payment of the consideration of approximately HK$1,944.1 million and taking into consideration after the release and discharge of the existing securities on the Property of approximately HK$811.3 million for the propose of Disposal, the consolidated net assets and bank borrowings of the Group as at 31 March 2023 would be reduced to approximately HK$25,806.8 million and HK$18,941.7 million, respectively.

The above calculations are only estimates provided for illustrative purposes and are subject to further review by the auditors of the Company.

The aforesaid estimation is for illustrative purpose only and does not purport to represent the financial position of the Group after Completion. The actual financial effects of the Disposal will be determined with reference to the financial status of the Target Group as at the Completion Date.

USE OF PROCEEDS

The net proceeds from the Disposal, after the release and discharge of the existing securities on the Property of approximately HK$805.5 million for the purpose of Disposal; and subject to adjustment pursuant to the terms of Sale and Purchase Agreement, is estimated to be approximately HK$1,135.8 million, out of which,

(i) the Group is envisaged to apply not less than 80% of the net proceeds for the enrichment of working capital for operation and expansion of existing property development and property investment businesses. In relation to the Group's property development projects, as at the Latest Practicable Date, the projects pipeline under development is as below:

- The 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 sq. ft.. 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 sq. ft.. 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 buildings at ***Nos. 24-30 Bonham Road***, Midlevels, have been demolished and will be redeveloped into a 27-storey residential complex with a gross floor area of approximately 105,400 sq. ft.. 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 sq. ft.. 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.

(ii) the remaining net proceeds to apply for general working capital such as staff cost, professional fees and other general administrative and operating expenses of the Group.

As at the Latest Practicable Date, the Group has not identified any attractive property investment opportunities. The Company will inform the Shareholders and make announcement(s) in accordance with the Listing Rules as and when appropriate in the event that any property investment opportunities is crystallised.

REASONS AND BENEFITS FOR THE DISPOSAL

The Group pursues quality properties with growth potential, which are mainly premium office towers and commercial complexes located in key commercial districts, as well as retail spaces in prime tourists shopping areas, in its core investment properties portfolio. Adopting a portfolio optimisation strategy, the Group examines its portfolio regularly to (i) expand the portfolio by acquisition of quality properties; (ii) enhance the asset value by redevelopment and refurbishment work on existing portfolio; and (iii) unlock the asset value by disposal of non-core assets.

After a regular review of the business operation of its investment portfolio, the Group is of the view that the Property is located beyond the traditional tourists shopping areas and is regarded as a non-core investment property with limited chances of further substantial value appreciation by transformation or redevelopment exercises. Therefore, the management considered the Disposal is a good opportunity to crystallise the appreciated value of the asset of approximately HK$1,083.0 million against its purchase cost of approximately HK$917.0 million. The Disposal will release a net proceeds of approximately HK$1,135.8 million (subject to adjustments) to the Group for general working capital, and will strengthen its financial position for future investment opportunities and enhance its investment portfolio for higher return.

The Directors (including independent non-executive Directors who have separately provided their views in the Letter from the Independent Board Committee of this circular after considering the opinion of the Independent Financial Adviser) consider that the terms and conditions for the Disposal are on normal commercial terms, which are fair and reasonable and in the interest of the Company and its Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Disposal ((i) on a standalone basis; or (ii) when aggregating with the Previous Disposal pursuant to Rule 14.22 of the Listing Rules) exceeds 75%, the Disposal constitutes a very substantial transaction of the Company under Chapter 14 of the Listing Rules. The Vendor is a wholly-owned subsidiary of the Company. The Vendor and the Purchaser are both indirectly controlled by the respective private discretionary trusts which were all set up by Dr. Yeung who is the deemed substantial shareholder of the Company. As such, under Chapter 14A of the Listing Rules, the Purchaser is a deemed connected person of the Company and as one or more of the applicable percentage ratios (as defined in Listing Rules) in respect of the Disposal are greater than 5%, the Disposal constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules. The Disposal is subject to reporting, announcement and Independent Shareholders' approval requirements under the Listing Rules.

An Independent Board Committee comprising all independent non-executive Directors has been established by the Company to advise the Independent Shareholders in respect of the terms of the Sale and Purchase Agreement and the transactions contemplated thereunder and the Independent Financial Adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders in the same regard.

Ms. Luk Siu Man, Semon, the Chairperson of Board and a non-executive Director, and Mr. Yeung Ching Loong, Alexander, the Vice Chairman of the Board and an executive Director, did abstain from voting on the relevant Board resolutions of the Company in view of their deemed interest in the Disposal by virtue of being an associate of the eligible beneficiaries of the private discretionary trusts that control the Vendor and the Purchaser and being one of the eligible beneficiaries of such trusts respectively.

For the sake of prudence, Mr. Wong Chi Fai and Ms. Fan Man Seung, Vanessa, being the executive Directors, also taking up a management role in the counter-party to the Sale and Purchase Agreement, abstained from voting on the Board resolutions approving the Disposal and the transactions contemplated under the Sale and Purchase Agreement.

Save for the aforesaid, no other Director has a material interest or conflict of role in the Disposal and has abstained from voting.

AGM

The Notice of AGM is set out from pages AGM-1 to AGM-7 of this circular. Resolutions to be proposed at the AGM include, *inter alia*, (A) re-election of Directors; (B) general mandates to issue new Shares and buy back Shares; (C) adoption of new share option scheme of the Company; (D) approving the Aggregate Tenancy Annual Caps (as defined in the MLA Circular); and (E) approving the Sales and Purchase Agreement and the transactions contemplated thereunder.

As at the Latest Practicable Date, the Purchaser is indirectly wholly-owned by the private discretionary trust which was set up by Dr. Yeung, who is the deemed substantial Shareholder. Accordingly, Dr. Yeung and his associates will abstain from voting on the resolution no. 14 in relation to the Disposal. To the best of the Directors' knowledge and belief and having made all reasonable enquires, save for Dr. Yeung and his associates, no Shareholder has material interests in the Disposal, thus no Shareholder is required to abstain from voting on the resolution no. 14 in relation to the Disposal. Please refer to details in relation to resolution nos. 1 to 8 in relation to the above items (A) to (C) in the Mandate Circular and resolution nos. 9 to 13 in relation to the above item (D) in the MLA Circular.

In accordance with Rule 13.39(4) of the Listing Rules, all votes of the Shareholders on the proposed resolutions at the AGM shall be taken by poll. An announcement will be made by the Company following the conclusion of the AGM to inform Shareholders of the results of the AGM.

A form of proxy for use at the AGM is enclosed with this circular. Whether or not you intend to attend and vote at the AGM in person, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company's Hong Kong Branch Share Registrar, Tricor Secretaries Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible, and in any event not less than 48 hours before the time of the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment thereof (as the case may be). Should you subsequently so wish and in such event, the form of proxy will be deemed to be revoked.

In order to qualify for the right to attend and vote at the above meeting, all relevant share certificates and properly completed transfer forms must be lodged for registration with the Company's Hong Kong Branch Share Registrar, Tricor Secretaries Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Wednesday, 13 September 2023.

No refreshments or drinks will be served and no corporate gifts will be distributed.

The Company would like to encourage Shareholders to exercise their rights to vote at the AGM by appointing the Chairperson of the AGM as their proxy to represent them by returning their forms of proxy by the time specified herein. Physical attendance at the AGM by Shareholders is not necessary for the purpose of exercising their voting rights.

RECOMMENDATION

The Board is of the view that the terms of the Sale and Purchase Agreement have been negotiated on an arm's length basis, on normal commercial terms, fair and reasonable, and in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Independent Shareholders to vote in favour of the relevant resolution no. 14 to be proposed at the AGM. Before deciding how to vote on the said resolution at the AGM, you are advised to read (i) the Letter from the Independent Board Committee from pages 15 to 16 of this circular; and (ii) the Letter from Independent Financial Adviser from pages 17 to 33 of this circular which contains its advice to the Independent Board Committee and Independent Shareholders in relation to the Sale and Purchase Agreement and the transactions contemplated thereunder as well as the principal factors and reasons considered by it in arriving its opinions.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the Appendices to this circular.

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

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

23 August 2023

To the Independent Shareholders

Dear Sir/Madam,

VERY SUBSTANTIAL DISPOSAL AND CONNECTED TRANSACTION DISPOSAL OF ENTIRE EQUITY INTEREST IN TARGET COMPANY

We refer to the circular of the Company to the Shareholders dated 23 August 2023 in relation to the Disposal (the "**Circular**"), of which this letter forms part. Unless the context requires otherwise, capitalised terms used in this letter will have the same meanings as those defined in the Circular.

We, Independent Board Committee, have been appointed by the Board to advise you on the terms of Sale and Purchase Agreement and the transactions contemplated thereunder. Pelican has been appointed to advise you and us in this regard. Details of its advice, together with the principal factors and reasons it has taken into consideration in giving its advice, are set out from pages 17 to 33 of the Circular. Your attention is also drawn to the "**Letter from the Board**" and the "**Letter from Pelican**" in the Circular and the additional information set out in the Appendices thereto.

Having considered the advice given by Pelican, in particular the principal factors, reasons and recommendation as set out in its letter, we consider that (i) the entering into the Sale and Purchase Agreement and the transactions contemplated thereunder are in ordinary and usual course of business of the Group and are in the interests of the Company and the Shareholders as a whole; and (ii) the terms and conditions of the Sale and Purchase Agreement and the transactions contemplated thereunder are on normal commercial terms and are fair and reasonable so far as the Company and Independent Shareholders are concerned. Accordingly, we recommend you to vote in favour of the relevant ordinary resolution to be proposed at the AGM to approve the Sale and Purchase Agreement and the transactions contemplated thereunder.

Yours faithfully,
For and on behalf of the
Independent Board Committee

Chan Hon Piu **Chu Kar Wing** **Poon Yan Wai**
Independent Non-executive Directors

PELICAN FINANCIAL
百 利 勤 金 融

PELICAN FINANCIAL LIMITED

28/F, Lee Garden Two, 28 Yun Ping Road, Causeway Bay, Hong Kong

23 August 2023

To the Independent Board Committee and the Independent Shareholders of Emperor International Holdings Limited

Dear Sirs or Madams,

VERY SUBSTANTIAL DISPOSAL AND CONNECTED TRANSACTION DISPOSAL OF ENTIRE EQUITY INTEREST IN TARGET COMPANY

INTRODUCTION

We refer to our appointment as the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the terms of the Sale and Purchase Agreement and the transactions contemplated thereunder, details of which are set out in the letter from the Board (the "**Board Letter**") contained in the circular of the Company dated 23 August 2023 (the "**Circular**"), of which this letter forms a part. Terms used in this letter shall have the same meanings as those defined in the Circular unless the context requires otherwise.

As stated in the announcement of the Company dated 3 July 2023 in relation to the Disposal, the Vendor entered into the Sale and Purchase Agreement with the Purchaser in relation to the sale and purchase the entire equity interest in the Target Company and the loan due from the Target Company to the Vendor at the consideration of approximately HK$1,942.8 million (subject to adjustments).

As one or more of the applicable percentage ratios (as defined in Listing Rules) in respect of the Disposal ((i) on a standalone basis; or (ii) when aggregating with the Previous Disposal pursuant to Rule 14.22 of the Listing Rules) exceeds 75%, the Disposal constitutes a very substantial transaction of the Company under Chapter 14 of the Listing Rule. The Vendor is a direct wholly-owned subsidiary of the Company. The Vendor and the Purchaser are both indirectly controlled by the respective private discretionary trusts which were all set up by Dr. Yeung who is the deemed substantial shareholder of the Company. As such, under Chapter 14A of the Listing Rules, the Purchaser is a deemed connected person of the Company and as one or more of the applicable percentage ratios (as defined in Listing Rules) in respect of the Disposal are greater than 5%, the Disposal constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules and is subject to reporting, announcement and Independent Shareholders' approval requirements under the Listing Rules.

The Board currently comprises four executive Directors, one non-executive Director and three independent non-executive Directors. Accordingly, the Independent Board Committee, comprising Mr. Chan Hon Piu, Mr. Chu Kar Wing and Mr. Poon Yan Wai, being all the independent non-executive Directors, has been established to advise the Independent Shareholders in respect of the terms of the Sale and Purchase Agreement and the transactions contemplated thereunder. We have been appointed by the Independent Board Committee as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in this respect and such appointment has been approved by the Independent Board Committee.

INDEPENDENCE DECLARATION

As at the Latest Practicable Date, we are not connected with the Directors, chief executive or substantial Shareholders of the Company or any of their respective associates and we are not aware of any relationships or interests between us and the Group, the Purchaser, the Target Group, or any of their respective substantial shareholders, directors or chief executives, or of their respective associates, or any circumstance as set out in Rule 13.84, that could reasonably be regarded as relevant to our independence to act as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Sale and Purchase Agreement and the transactions contemplated thereunder.

In the last two years, there was no engagement between the Company and us. Apart from normal professional fees payable to us in connection with this appointment of us as independent financial adviser, no arrangement exists whereby Pelican Financial Limited will receive any fees or benefits from the Company or the Directors, chief executive or substantial Shareholders of the Company or any of their respective associates, and we are not aware of the existence of or change in any circumstances that would affect our independence. Accordingly, we consider that we are eligible to give independent advice on the terms of the Sale and Purchase Agreement and the transactions contemplated thereunder.

Our role is to provide you with our independent opinion and recommendation as to (i) whether the Sale and Purchase Agreement is entered into in the ordinary and usual course of business and on normal commercial terms; (ii) whether the terms of the Sale and Purchase Agreement and the transactions contemplated thereunder are in the interests of the Company and the Shareholders as a whole and are fair and reasonable so far as the Independent Shareholders are concerned; and (iii) how the Independent Shareholders should vote in respect of the relevant resolution(s) on the Sale and Purchase Agreement and the transactions contemplated thereunder at the AGM.

BASIS OF OUR OPINION

In formulating our opinion to the Independent Board Committee and the Independent Shareholders, we have performed relevant procedures and those steps which we deemed necessary in forming our opinions including, among other things, review of relevant agreements, documents as well as information provided by the Company and verified them, to an extent, to the relevant public information, statistics and market data, the relevant industry guidelines and rules and regulations as well as information, facts and representations provided, and the opinions expressed, by the Company and/or the Directors and/or the management of the Group. The documents reviewed include, but are not limited to, (i) the Sale and Purchase Agreement, (ii) the announcement of the Company dated 3 July 2023 in relation to the Disposal, (iii) the annual report of the Company for the financial year ended 31 March 2023 (the "**2023 Annual Report**"), (iv) the valuation report of the Property (the "**Valuation Report**") issued by the independent valuer, Vincorn Consulting and Appraisal Limited (the "**Valuer**"), in respect of the market value of the Property as at 15 June 2023, and (v) other information set out in the Circular. We have assumed that all statements of belief, opinion, expectation and intention made by the Directors in the Circular were reasonably made after due enquiry and careful consideration. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Company, its management and/or the Directors, which have been provided to us.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in the Circular and confirm having made all reasonable enquiries, that to the best of their knowledge and belief, the information contained in the Circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement therein or the Circular misleading.

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent verification of the information included in the Circular and provided to us by the Directors and the management of the Group nor have we conducted any form of an in-depth investigation into the business and affairs or the future prospects of the Group.

PRINCIPAL FACTORS TAKEN INTO CONSIDERATION

In formulating our opinion in respect of the Sale and Purchase Agreement and the transactions contemplated thereunder, we have considered the following principal factors and reasons.

1. Information of the Company

The Company is an investment holding company and the Group is principally engaged in property investment, property development and hospitality in Greater China and overseas.

Set out below is a summary of the financial information of the Group for the two financial years ended 31 March 2022 and 2023 as extracted from the 2023 Annual Report.

Table 1: Summarised financial results of the Group

	For the financial year ended 31 March	
	2023	**2022**
	(audited)	(audited)
	HK$'000	*HK$'000*
Revenue		
Lease of properties	870,769	904,402
Properties development	79,240	1,025,152
Hotel and hotel related operations	260,673	399,770
Total Revenue	**1,210,682**	**2,329,324**
Gross profit	**590,026**	**813,293**
Loss for the year	**2,201,586**	**739,642**

According to the 2023 Annual Report, the Group recorded a total revenue of approximately HK$1,210.7 million for the year ended 31 March 2023, representing a decrease of approximately 48.0% as compared to approximately HK$2,329.3 million for the year ended 31 March 2022. The decrease in revenue was mainly attributable to the decrease in sales of property, which showed a decrease of HK$946.0 million from HK$1,025.2 million for the year ended 31 March 2022 to HK$79.2 million for the year ended 31 March 2023. This downturn was due to the subdued sentiment of the property market, which was affected by factors including the uncertain macroeconomic environment, geopolitical tensions, stock market turbulence, and interest rate hikes. These conditions have influenced the buyers' purchase decisions, and consequently, the potential buyers have chosen to diversify their investment portfolios, leading to an unavoidable impact on the property market.

Furthermore, the gross profit of the Group was approximately HK$590.0 million for the year ended 31 March 2023, representing a decrease of approximately HK$223.3 million or 27.5% as compared to approximately HK$813.3 million for the year ended 31 March 2022. The Group also recorded a significant increase in loss of approximately HK$1,461.9 million or 197.7%, from approximately HK$739.6 million for the year ended 31 March 2022 to approximately HK$2,201.6 million for the year ended 31 March 2023. The increase in loss was mainly attributed to a combination of a drop in the total revenue and an increase in the fair value decrement in investment properties of HK$1,315.6 million. According to the Company, since the local market demand of office leasing remained sluggish and the retail consumption market sentiment yet to be fully recovered, the valuation assessment of certain properties owned by the Group was downward adjusted, resulting in an increase in the fair value decrement in the Group's investment properties.

Meanwhile, the consolidated assets and liabilities of the Group as at 31 March 2022 and 31 March 2023 as extracted from the 2023 Annual Report are summarized as follows:

Table 2: Summarised financial position of the Group

	As at 31 March 2023 (Audited) *HK$'000*	**As at 31 March 2022** (Audited) *HK$'000*
Total assets		
– non-current assets	42,750,064	46,439,937
– current assets	8,377,991	8,265,568
	51,128,055	**54,705,505**
Total liabilities		
– non-current liabilities	14,162,822	19,152,289
– current liabilities	11,156,911	6,785,713
	25,319,733	**25,938,002**
Net current (liabilities)/ assets	**(2,778,920)**	**1,479,855**
Net assets	**25,808,322**	**28,767,503**

As at 31 March 2023, the Group recorded total assets of approximately HK$51,128.1 million. The decrease in total assets of approximately HK$3,577.5 million compared to the total asset of approximately HK$54,705.5 million as at 31 March 2022 was mainly due to decrease in investment properties of approximately HK$3,849.7 million and properties under development for sale of approximately HK$400.9 million offset by the increase in bank balances and cash (including pledged bank deposits and short-term bank deposits) of approximately HK$866.5 million.

As at 31 March 2023, the non-current assets of the Group amounted to approximately HK$42,750.1 million, which mainly comprised of (i) investment properties of approximately HK$37,944.8 million; (ii) property, plant and equipment of approximately HK$2,723.5 million; (iii) interest in a joint venture of approximately HK$1,327.6 million; (iv) right-of-use assets of approximately HK$466.2 million; (v) receivables related to a development project of approximately HK$169.6 million; and (vi) interest in an associate of approximately HK$110.2 million. The decrease in non-current assets of approximately HK$3,689.9 million compared to the non-current asset of approximately HK$ 46,439.9 million as at 31 March 2022 was mainly due to a decrease in investment properties of approximately HK$3,849.7 million.

As at 31 March 2023, the current assets of the Group amounted to approximately HK$8,378.0 million, mainly consisted of (i) properties under development for sale of approximately HK$4,861.3 million; (ii) bank balances and cash (including pledged bank deposits of approximately HK$66.2 million and short-term bank deposits of approximately HK$56.8 million) of approximately HK$2,434.1 million; (iii) properties held for sale of approximately HK$582.4 million; and (iv) trade and other receivables of approximately HK$471.5 million. The current assets as at 31 March 2023 remained stable with the current assets as at 31 March 2022 of approximately HK$8,265.6 million.

On the other hand, the Group recorded total liabilities of approximately HK$25,319.7 million as at 31 March 2023, which remained stable with the figures as at 31 March 2022 of approximately HK$25,938.0 million.

As at 31 March 2023, the non-current liabilities of the Group amounted to approximately HK$14,162.8 million mainly comprised of (i) bank borrowings of approximately HK$11,949.5 million; (ii) deferred taxation of approximately HK$1,800.9 million; (iii) unsecured notes of approximately HK$379.4 million; and (iv) lease liabilities of approximately HK$33.0 million. The decrease in non-current liabilities from the previous year's figure of HK$19,152.3 million was mainly due to the decrease in long-term bank borrowings of HK$3,934.6 million.

As at 31 March 2023, the current liabilities of the Group amounted to approximately HK$11,156.9 million mainly consisted of (i) bank borrowings due within one year of approximately HK$7,803.5 million; (ii) amount due to a related company of approximately HK$1,404.1 million; (iii) unsecured notes due within one year of approximately HK$868.0 million; and (iv) trade and other payables of approximately HK$802.0 million. The increase in current liabilities from the previous figure of HK$6,785.7 million was mainly due to the increase in short-term bank borrowings of HK$4,159.9 million.

The Group recorded net current liabilities of approximately HK$2,778.9 million, as compared to net current assets of HK$1,479.9 million as at 31 March 2022. The change from net current assets to net current liabilities over the two years was mainly due to the reclassification of bank borrowings from non-current liabilities to current liabilities. As stated in the 2023 Annual Report, the Directors have given careful consideration to meet the future liquidity and performance of the Group and are confident that sufficient financing can be arranged from the refinancing or renewal of bank borrowings upon or before the maturity date.

The Group's net assets were approximately HK$25,808.3 million as at 31 March 2023, representing a decrease of approximately 10.3% from HK$28,767.5 million in the previous year.

2. Information of the Vendor

The Vendor, Emperor Property, is a company incorporated in the BVI and is directly wholly-owned by the Company. Its principal business is investment holding.

3. Information of the Purchaser

The Purchaser, Emperor Agency, is a company incorporated in Hong Kong and is indirectly controlled by a private discretionary trust which was set up by Dr. Yeung. Its principal business is investment holding.

4. Information of the Target Group and the Property

The Target Company is a company incorporated in the BVI and indirectly wholly-owned by the Company. The principal business of the Target Company is investment holding. The Property Company is a company incorporated in Hong Kong with limited liability and directly wholly owned by the Target Company. The Property Company is engaged in the business of property investment and holds the Property and the Excluded Properties. When the Restructuring is completed, the Property Company will directly hold the Property only.

For the two years ended 31 March 2022 and 2023, the financial information of the Target Group as disclosed in ''Financial Information of the Group'' under Appendix II is as follows:

Table 3: Financial information of the Property

	For the year ended 31 March 2023 (unaudited) *HK$'000*	**For the year ended 31 March 2022** (unaudited) *HK$'000*
Revenue	68,559	69,618
Net (loss)/profit before taxation	(263,421)	58,595
Net (loss)/profit after taxation	(264,281)	57,818

The Sale Loan amounted to approximately HK$224.7 million as at 31 May 2023.

The difference in amount of the Sale Loan as at 31 March 2023 of approximately HK$754.4 million and as at 31 May 2023 of appropriately HK$224.7 million was mainly attributable to (i) rental income after operating expenses from 1 April 2023 to 31 May 2023 and (ii) the Management Account has deducted the accumulated fair value gain of Excluded Properties of approximately HK$517 million through current account on the basis as if the disposal of the Excluded Properties settled through current account, while such fair value gain was reflected on the retained profits in Appendix II of this circular on the basis as if the transfer of the Excluded Properties had been completed at the beginning of relevant periods. For avoidance of doubt, the difference in the aforesaid accounting treatments has no effect on the consideration for the Disposal given the fact that difference in the net asset value was offset by the difference in amounts due to fellow subsidiaries, namely the Sale Loan.

The Property, Fitfort Shopping Arcade, is a shopping mall occupying the basement, the whole lower and upper ground floor with a gross floor area of approximately 132,018 square feet located at No. 560 King's Road, Hong Kong. The fair market value of the Property was HK$2,000.0 million as at 15 June 2023 as indicated by the Valuer. The Valuation Report is set out in Appendix I of this Circular.

The unaudited net loss of the Target Group for the year ended 31 March 2023, as illustrated in the above table, was attributable to the fair value loss incurred on the Property.

Since the Target Company is indirectly wholly-owned by the Company, the unaudited net asset value of the Target Group attributable to the Company was approximately HK$1,718.1 million as at 31 May 2023. Thus, the consideration for the Disposal of approximately HK$1,942.8 million (subject to adjustments), after deducting the amount of the Sale Loan of approximately HK$224.7 million, is equivalent to the unaudited net asset value of the Target Group attributable to the Company of approximately HK$1,718.1 million as at 31 May 2023.

5. Reasons for and benefits of the Disposal

As stated in the Board Letter, the Group pursues quality properties with growth potential, which are mainly premium office towers and commercial complexes located in key commercial districts, as well as retail spaces in prime tourist shopping areas, in its core investment properties portfolio. Adopting a portfolio optimisation strategy, the Group examines its portfolio regularly to (i) expand the portfolio by acquisition of quality properties; (ii) enhance the asset value by redevelopment and refurbishment work on the existing portfolio; and (iii) unlock the asset value by disposal of non-core assets.

After a regular review of the business operation of its investment portfolio, the Group is of the view that the Property is located beyond the traditional tourist shopping areas and is regarded as a non-core investment property with limited chances of further substantial value appreciation by transformation or redevelopment exercises. Therefore, the management considered that the Disposal is a good opportunity to crystallise the appreciated value of the asset of approximately HK$1,083.0 million against its purchase cost of approximately HK$917.0 million. The Disposal will release a net proceed of approximately HK$1,135.8 million (subject to adjustments). The Group is envisaged that to apply not less than 80% of the net proceeds for the enrichment of working capital for operation and expansion of existing property development and property investment businesses, and the remaining net proceeds to apply for general working capital such as staff cost, professional fees and other general administrate and operating expenses of the Group.

Taking into account that (i) the Disposal is a good opportunity to streamline the Group's investment portfolio by phasing out its non-core assets and to realise the appreciated value of the Property; (ii) the net proceeds of approximately HK$1,135.8 million (subject to adjustments) from the Disposal can improve the Group's ability to meet its financial obligation and strengthen its financial position taking into account the needs of the Group in term of its net current liabilities position as well as its long-term development goals; (iii) the Target Group had an unaudited net loss for the year of approximately HK$264.3 million for the year ended 31 March 2023; (iv) the consideration for the Disposal of approximately HK$1,942.8 million (subject to adjustments), after deducting the amount of the Sale Loan of approximately HK$224.7 million, is equivalent to the unaudited net asset value of the Target Group attributable to the Company of approximately HK$1,718.1 million as at 31 May 2023; (v) sufficient internal control measures had been taken by the Company, as the relevant Directors with potential conflict of interest and/or roles in the Disposal had all abstained from voting on the relevant board resolution(s) during the approval procedure in the Company's board meeting; and (vi) the Disposal would not have a substantial adverse impact on the Group as the Property, the principal assets of the Target Group, do not represent a major proportion in its total asset, we concur with the Directors that the Disposal is on normal commercial terms, is fair and reasonable so far as the Independent Shareholders are concerned, and in the interests of the Company and the Shareholders as a whole.

6. The Sale and Purchase Agreement

On 3 July 2023 (after trading hours), the Vendor entered into the Sale and Purchase Agreement with the Purchaser, which is a connected party, in relation to the sale and purchase of the Sale Share and the Sale Loan at a consideration of approximately HK$1,942.8 million (subject to adjustments) which consists of (i) the net asset value of the Target Group of approximately HK$1,718.1 million; and (ii) the loan due from the Target Company to the Vendor of approximately HK$224.7 million

(i) Consideration

Pursuant to the Sale and Purchase Agreement, the consideration for the Disposal payable by the Purchaser to the Vendor is approximately HK$1,942.8 million (subject to adjustments) and shall be settled by the Purchaser by cash transfer to the designated bank account of the Vendor or such other method as mutually agreed by the Vendor and Purchaser on the Completion Date.

The consideration for the Disposal was arrived at arm's length negotiation between the Vendor and the Purchaser on normal commercial terms with reference to the Management Accounts which comprises (i) the fair market valuation of the principal assets of the Target Group, namely the Property, of HK$2,000.0 million as at 15 June 2023 as indicated by the Valuer; (ii) the loan due from the Target Company to the Vendor of approximately HK$224.7 million as at 31 May 2023; and (iii) the unaudited net asset value of the Target Group of approximately HK$1,718.1 million as at 31 May 2023.

Valuation Report

Given that as at the Latest Practicable Date, the Target Group principally serve as investment holding vehicles of the Company and that their principal assets lie in the Property, in assessing the fairness and reasonableness of the consideration for the Disposal, we have focused on analysing the Valuation Report.

We have performed the works as required under Note 1(d) to Rule 13.80 of the Listing Rules and paragraph 5.3 of the Corporate Finance Adviser Code of Conduct in respect of the Valuation Report, which included (i) assessment of the Valuer's experiences in valuing properties in Hong Kong similar to the Property; (ii) obtaining information on the Valuer's track records on other property valuations; (iii) inquiry on the Valuer's current and prior relationship with the Group and other parties to the Sale and Purchase Agreement; (iv) review of the terms of the Valuer's engagement, in particular its scope of work, for the assessment of the Valuation Report; and (v) discussion with the Valuer regarding the bases, methodology and assumptions adopted in the Valuation Report.

a) Valuer

We understand that Mr. Vincent Cheung ("**Mr. Cheung**"), the managing director of the Valuer and the signor of the Valuation Report, among others, is a qualified general practice surveyor with over 26 years of experience in the valuation of properties in Hong Kong. We have also obtained information on the Valuer's track records on other property valuations and noted that the Valuer had been the valuer for a wide range of companies listed on the Stock Exchange. As such, we are of the view that the Valuer and Mr. Cheung are qualified, experienced and competent in performing property valuations and providing a reliable opinion in respect of the valuation of the Property.

We have also enquired with the Valuer as to its independence from the Group and the parties to the Sale and Purchase Agreement and were given to understand that the Valuer is an independent third party of the Group and its connected persons. The Valuer also confirmed to us that it was not aware of any relationship or interest between itself and the Group or any other parties that would reasonably be considered to affect its independence to act as an independent valuer for the Company. The Valuer confirmed to us that apart from normal professional fees payable to it in connection with their engagement for the valuation, they had no other engagement with the Company.

Furthermore, we note from the engagement letter entered into between the Company and the Valuer that, the scope of work was appropriate for the Valuer to form the opinion required to be given and there were no limitations on the scope of work which might adversely impact the degree of assurance given by the Valuer in the Valuation Report.

b) Valuation standards and basis

We have reviewed the Valuation Report and understand that it was prepared in accordance with the HKIS Valuation Standards 2020 published by The Hong Kong Institute of Surveyors (the "**HKIS**") effective from 31 December 2020 with reference to the International Valuation Standards published by the International Valuation Standards Council ("**IVSC**") effective from 31 January 2022, and the requirements set out in Chapter 5 of the Listing Rules.

The valuation has been undertaken on the basis of Market Value, which is defined as "*the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.*" Since no unusual matters had come to our attention that led us to believe that the Valuation Report was not prepared on a reasonable basis, we believe that the valuation fairly represents the market value of the Property and forms a fair and reasonable basis for our further assessment on the consideration for the Disposal.

c) Valuation methodology

As disclosed in the Valuation Report, in valuing the Property, the Valuer has adopted market approach. Based on our interview with the Valuer, we understand that given data on comparable premises/properties in the Hong Kong property market are mostly publicly available, the Valuer considered the adoption of the market approach as the most appropriate as it would provide a more objective result. In fact, the market approach is the most widely used valuation method in Hong Kong as well as other mature markets, as it is generally considered that the best evidence of value is the price paid for similar properties. Given that Hong Kong has an active and well-publicised property market and that there already exists sufficient samples of comparable premises/properties available for analysis, we are of the view that these comparable premises/properties provide good and objective benchmarks for the valuation of the Property. Accordingly, we agree with the Valuer that the market approach was more appropriate for the valuation of the Property.

When valuing the Property using the market approach, the Valuer had considered and analysed the sale comparables of retail units in the vicinity. These comparables are adopted as they are considered relevant to the property in terms of physical and locational attributes. The unit rates of the adopted retail comparables range from HK$21,653 to HK$45,038 per square foot on the basis of effective saleable area. The unit rate adopted in the valuation are consistent with the unit rates of the relevant comparables after due adjustments in terms of different attributes. The adopted unit rate of benchmark unit of the property is HK$30,895 per square foot on the basis of effective saleable area. The Valuer had multiplied the respective analysed unit rate for the Property with their respective size of the area, and reached the aggregate appraised value of the Property of HK$2,000.0 million as at 15 June 2023.

We have reviewed the list of comparables and noted that the selection of comparables was based on the following criteria: (i) retail units located in North Point, which is in the same district of the Property; and (ii) transactions that occurred within two years from the valuation date. We have reviewed these criteria and found them fair and reasonable as they ensure that the comparables are similar to the Property in terms of location and recent market activity. We understand that the Valuer made adjustments to the comparables, taking into account differences in transaction time, location, building age, floor level, size, frontage, depth, headroom and shop type. We have reviewed these adjustments and discussed with the Valuer about the rationale and methodology for the adjustments. We found that the adjustments are in line with the market practice and hence, consider them reasonable in deriving the valuation of the Property.

Through our discussion with the Valuer, we also understand that data and information about the comparable premises/properties were mostly obtained from online public domains, which included the websites of the Land Registry, the Buildings Department and Rating and Valuation Department. As confirmed by the Valuer, these comparable premises/properties represent an exhaustive list to the best of their knowledge. Accordingly, we considered that the selection of the comparable premises/properties used in the valuation of the Property is fair and reasonable.

d) Valuation assumptions

According to the Valuation Report, the valuation of the Property was made on the assumption that the Property was sold in the open market without the benefit of a deferred term contract(s), leaseback, joint venture, management agreement(s) or any similar arrangement which could serve to affect the values of the Property. In addition, the Valuer assumed that no allowance for any charges, mortgages or amounts owing on the property interests nor for any expenses or taxation may be incurred in effecting a sale. Unless otherwise stated, it is also assumed that the Property is free of legal complications and encumbrances, restrictions, and outgoings of an onerous nature that could affect its value in the Valuation Report. In this regard, we noted from the Valuer that these assumptions are commonly adopted in the valuation of properties. Given that we consider it objective and appropriate to appraise the Property the same way as other similar properties on the open market, and that nothing material has come to our attention, we are of the view that these valuation assumptions are fair and reasonable.

Given that (i) the principal assets of the Target Group mainly lie in the Property and hence their value is mostly determined by the appraised value of the Property of HK$2,000.0 million as at 15 June 2023, and that we consider the Valuation Report an appropriate reference for determining the valuation of the Property upon our review; (ii) the consideration for the Disposal was determined after arm's length negotiation between the Vendor and the Purchaser on normal commercial terms with reference to the management accounts in which the Property is the principal asset, which is approximately HK$1,942.8 million (subject to adjustments) with reference to the loan due from the Target Company to the Vendor of approximately HK$224.7 million as at 31 May 2023; and the unaudited net asset value of the Target Group of approximately HK$1,718.1 million as at 31 May 2023; and (iii) the Disposal will release a net cash proceeds of approximately HK$1,135.8 million (subject to adjustments) to the Group for general working capital, and will strengthen its financial position for future investment opportunities and enhance its investment portfolio for higher return, we consider that the consideration for the Disposal is on normal commercial terms, fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole.

(ii) Adjustment mechanism

Pursuant to the Sale and Purchase Agreement, the consideration is subject to the following adjustments with reference to the Completion Accounts:

(a) reduced/ increased by the movements in the amount of any and all liabilities, including but not limited to, accrued expenses and deferred tax by the same amount but excluding the Sale Loan, all as shown between the Management Accounts and the Completion Accounts; and

(b) increased/ reduced by the movements in the amount (if any) of the following assets (which for the avoidance of doubt excludes the Property, fittings and equipment) of the Target Group, all as shown between the Management Accounts and the Completion Accounts:

  (i) rental receivables, prepayment in respect of rates, government rent (if any), insurance premium (if any) and other outgoings in respect of the Property covering the period from but excluding the Completion Date;

  (ii) refundable and subsisting management fee deposits and utility deposits placed with relevant authorities or suppliers for the supply of any utilities or services to the Property; and

  (iii) other receivables (excluding rental incentives), tax recoverable, any bank or cash balance of the Target Group as at the Completion Date.

The above adjustment mechanism is in place to ensure that, should the Target Group record an increase in their net asset value during the transition period from 31 May 2023 to the Completion Date as shown between the Management Accounts and the Completion Accounts, the Vendor shall be compensated for such difference as the Target Group are held by the Vendor during such transition period, and vice versa. We consider such adjustment mechanism a result of the arm's length negotiation between the Vendor and the Purchaser, is on normal commercial terms and is fair and reasonable so far as the Independent Shareholders are concerned.

(iii) Other principal terms of the Sale and Purchase Agreement

We have also reviewed other principal terms (i.e. payment terms, conditions precedent, Completion, etc.) of the Sale and Purchase Agreement and compared them to those in other transactions similar to the Disposal, particularly property disposal transactions, conducted by other companies listed on the Stock Exchange, and noted that similar principal terms were also adopted by other listed companies. Accordingly, we are of the view that other principal terms of the Sale and Purchase Agreement are in line with the market practice, and we consider that they are fair and reasonable so far as the Independent Shareholders are concerned and are in the interest of the Company and the Shareholders as a whole.

7. Possible financial effect of the Disposal

As at the Latest Practicable Date, the Target Group is indirectly wholly-owned by the Company. Immediately after Completion, the Target Group will cease to be subsidiaries of the Company and the Company will cease to have any equity interest in the Target Group.

The financial effects of the Disposal on the Group's earnings, working capital and net asset value are set out below. However, it should be noted that the analysis below is for illustrative purposes only and does not purport to represent how the financial position of the Group would be upon Completion.

(i) Earnings

According to the 2023 Annual Report, the loss of the Group for the year ended 31 March 2023 amounted to approximately HK$2,201.6 million, which was mainly attributed to a combination of a drop in the total revenue and an increase in the fair value loss on investment properties of HK$1,315.6 million. As illustrated in the above section headed "Information of the Target Group and the Property", the Target Group had an unaudited net loss after taxation of approximately HK$264.3 million for the same period. Upon Completion, the Target Group will cease to be subsidiaries of the Company and their financial information will no longer be consolidated into the Company's consolidated financial statements. Accordingly, the Group will no longer share the loss of the Target Group and its financial position is expected to improve.

(ii) Working capital

In the event the consideration of approximately HK$1,942.8 million (subject to adjustments) will be settled in cash by the Purchaser to the Vendor, and after the release and discharge of the existing securities on the Property of approximately HK$805.5 million for the purpose of Disposal, the Group shall have an immediate cash inflow of approximately HK$1,135.8 million and hence its working capital position is expected to improve upon Completion.

(iii) Net asset value

As at 31 March 2023, the Group had audited net assets attributable to owners approximately HK$23,887.2 million. Based on the unaudited pro forma financial information of the Remaining Group as set out in Appendix III to the Circular, the net assets attributable to owners of the Remaining Group would be approximately HK$23,885.7 million, which is stable compared to the net assets attributable to owners of the Group as at 31 March 2023.

Such estimation is calculated based on the consideration of approximately HK$1,942.8 million (subject to adjustments), which is equal to the unaudited net asset value of the Target Group as at 31 May 2023, and the Sale Loan with reference to the Management Accounts. Shareholders should note that the actual amount of gain/loss on the Disposal to be recorded by the Company (if any) will be subject to review by the auditors of the Company.

Based on the above analysis, we noted that the Disposal would have a positive effect on the Group's earnings and working capital position.

RECOMMENDATION

Having considered the principal factors and reasons referred to above, our views are summarised below:

(i) the Disposal is a good opportunity to streamline the Group's investment portfolio and to realise the appreciated value of the Property of approximately HK$1,083.0 million against its purchase cost of approximately HK$917.0 million;

(ii) the net cash proceeds of approximately HK$1,135.8 million (subject to adjustments) from the Disposal can improve the Group's ability to meet its financial obligation and strengthen its financial position taking into account the needs of the Group in terms of its current liabilities position as well as its long-term development goals, and provide the Group with an additional reserve for future investment opportunities and development of the core businesses of the Group;

(iii) the Target Group had an unaudited net loss after taxation of approximately HK$264.3 million for the year ended 31 March 2023;

(iv) the Target Group would only hold the Property upon the completion of the Restructuring, and hence its value is determined by the appraised value of the Property as set out in the Valuation Report, which we consider as an appropriate reference for determining the valuation of the Property upon our review;

(v) the consideration for the Disposal was determined after arm's length negotiation between the Vendor and the Purchaser on normal commercial terms with reference to the Management Accounts in which the Property is the principal asset;

(vi) sufficient internal control measures had been taken by the Company, as the relevant Directors with potential conflict of interest and/or roles in the Disposal had all abstained from voting on the relevant board resolution(s) during the Company's internal board meeting in relation to the Disposal;

(vii) the consideration for the Disposal of approximately HK$1,942.8 million (subject to adjustments), after deducting the amount of the Sale Loan of approximately HK$224.7 million, is equivalent to the unaudited net asset value of the Target Group attributable to the Company of approximately HK$1,718.1 million as at 31 May 2023;

(viii) the Disposal would not have a substantial adverse impact on the Group as the Property, the only asset of the Target Group, do not represent a major proportion of its total assets; and

(ix) we have reviewed the principal terms of the Sale and Purchase Agreement including but not limited to the terms of payment, conditions precedent and completion thereto, and are not aware of any terms being unusual.

Having taken into consideration the factors and reasons as stated above, we are of the opinion, (i) the Sale and Purchase Agreement and the transactions contemplated thereunder are in ordinary and usual course of business of the Group and is in the interests of the Company and the Shareholders as a whole; and (ii) the terms and conditions of the Sale and Purchase Agreement and the transactions contemplated thereunder are on normal commercial terms and are fair and reasonable so far as the Company and Independent Shareholders are concerned. Accordingly, we advise the Independent Board Committee to recommend the Independent Shareholders to vote in favour of the resolution(s) approving the Sale and Purchase Agreement and the transactions contemplated thereunder at the AGM. We also recommend the Independent Shareholders to vote in favour of the resolution(s) relating to the Sale and Purchase Agreement and the transactions contemplated thereunder at the AGM.

Yours faithfully,
For and on behalf of
Pelican Financial Limited
Charles Li*
Managing Director

* *Charles Li is a responsible person registered under the SFO to carry out Type 6 (advising on corporate finance) regulated activity for Pelican Financial Limited and has over 30 years of experience in the accounting and financial services industry.*

The following is the text of a letter and a valuation certificate prepared for the purpose of incorporation in this circular received from Vincorn Consulting and Appraisal Limited, an independent valuer, in connection with its valuation of the property interests to be disposed of by the Group. Terms defined in this appendix applies to this appendix only.

Vincorn Consulting and Appraisal Limited
Units 1602-4, 16/F
FWD Financial Centre
No. 308 Des Voeux Road Central
Hong Kong

VINCORN
appraisal • brokerage • consulting

The Board of Directors
Emperor International Holdings Limited
28th Floor, Emperor Group Centre,
No. 288 Hennessy Road,
Wanchai, Hong Kong

23 August 2023

Dear Sirs,

INSTRUCTION AND VALUATION DATE

We refer to your instructions for us to assess the Market Value of the property interests located in Hong Kong to be disposed of by Emperor International Holdings Limited (the "**Company**") and its subsidiaries (hereinafter together referred to as the "**Group**") for the purposes of public disclosure. We confirm that we have carried out inspection, made relevant enquiries and searches and obtained such further information as we consider necessary in order to provide you with our opinion of the Market Value of the property interests as at 15 June 2023 (the "**Valuation Date**").

VALUATION STANDARDS

The valuation has been prepared in accordance with the HKIS Valuation Standards 2020 published by The Hong Kong Institute of Surveyors effective from 31 December 2020 with reference to the International Valuation Standards published by the International Valuation Standards Council effective from 31 January 2022; and the requirements set out in the Chapter 5 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited issued by The Stock Exchange of Hong Kong Limited.

VALUATION BASIS

Our valuation has been undertaken on the basis of Market Value. Market Value is defined as "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".

VALUATION ASSUMPTIONS

Our valuation has been made on the assumption that the seller sells the property interests in the market without the benefit of a deferred term contract, leaseback, joint venture, management agreement or any similar arrangement, which could serve to affect the value of the property interests.

No allowances have been made for any charges, mortgages or amounts owing on the property interests, nor for any expenses or taxations which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the property interests are free from encumbrances, restrictions and outgoings of an onerous nature, which could affect the value of the property interests.

As the property interests are held under long term leasehold interests, we have assumed that the owner has free and uninterrupted rights to use the property interests for the whole of the unexpired term of the leasehold interests.

VALUATION METHODOLOGY

When valuing the property interests to be disposed of by the Group, we have adopted Market Approach.

Market Approach is universally considered as the most accepted valuation approach for valuing most forms of property. This involves the analysis of recent market evidence of similar properties to compare with the subject under valuation. Each comparable is analysed on the basis of its unit rate; each attribute of the comparables is then compared with the subject and where there are any differences, the unit rate is adjusted in order to arrive at the appropriate unit rate for the subject. This is done by making percentage adjustments to the unit rate for various factors, such as time, location, building age, building quality and so on.

LAND TENURE AND TITLE INVESTIGATION

We have made enquires and relevant searches at the Hong Kong Land Registry. However, we have not searched the original documents nor have we verified the existence of any amendments, which do not appear in the documents available to us. All documents have been used for reference only.

All legal documents disclosed in this letter and the valuation certificate are for reference only. No responsibility is assumed for any legal matters concerning the legal titles to the property interests set out in this letter and the valuation certificate.

INFORMATION SOURCES

We have relied to a considerable extent on the information provided by the Group. We have also accepted advice given to us on matters such as identification of the property, particulars of occupancy, areas and all other relevant matters. Dimensions, measurements and areas included in the valuation are based on information contained in the documents provided to us and are, therefore, only approximations.

We have also been advised by the Group that no material factors or information have been omitted or withheld from the information supplied and consider that we have been provided with sufficient information to reach an informed view. We believe that the assumptions used in preparing our valuation are reasonable and have had no reason to doubt the truth and accuracy of the information provided to us by the Group which is material to the valuation.

INSPECTION AND INVESTIGATIONS

The property was inspected externally and internally. Although not all areas were accessible for viewing at the time of inspection, we have endeavored to inspect all areas of the property. Investigations were carried out as necessary. Our investigations have been conducted independently and without influence from any third party in any manner.

We have not tested any services of the property and are therefore unable to report on their present conditions. We have not undertaken any structural surveys of the property and are therefore unable to comment on the structural conditions. We have not carried out any investigations on site to determine the suitability of the ground conditions for any future developments. Our valuation is prepared on the assumption that these aspects are satisfactory and that no extraordinary expenses or delays will be required.

We have not carried out any on-site measurements to verify the correctness of the areas in respect of the property but have assumed that the areas shown on the documents or deduced from the plans are correct. All documents and plans have been used as reference only and all dimensions, measurements and areas are therefore approximations.

CURRENCY

Unless otherwise stated, all monetary figures stated in this report are in Hong Kong Dollar ("**HKD**").

The valuation certificate is attached hereto.

Yours faithfully,
For and on behalf of
Vincorn Consulting and Appraisal Limited

Vincent Cheung
BSc(Hons) MBA FRICS MHKIS RPS(GP)
MCIREA MHKSI MISCM MHIREA FHKIoD
RICS Registered Valuer
Registered Real Estate Appraiser & Agent PRC
Managing Director

Note: Vincent Cheung is a fellow of the Royal Institution of Chartered Surveyors, a member of the Hong Kong Institute of Surveyors, a Registered Professional Surveyor (General Practice) under the Surveyors Registration Ordinance (Cap. 417) in Hong Kong, a member of China Institute of Real Estate Appraisers and Agents, a member of Hong Kong Securities and Investment Institute, a member of Institute of Shopping Centre Management, a member of Hong Kong Institute of Real Estate Administrators, a fellow of the Hong Kong Institute of Directors, a Registered Valuer of the Royal Institution of Chartered Surveyors and a Registered Real Estate Appraiser and Agent People's Republic of China. He is suitably qualified to carry out the valuation and has over 26 years of experience in the valuation of fixed and intangible assets of this magnitude and nature in the subject region.

VALUATION CERTIFICATE

Property Interests to be Disposed of by the Group in Hong Kong

Property	Description and Tenure	Occupancy Particulars	Market Value in the Existing State as at 15 June 2023
Retail Portion of Fitfort, Healthy Gardens, No. 560 King's Road, North Point, Hong Kong	The property comprises a two-storey retail podium on Lower and Upper Ground Floors plus a single-storey Basement, namely Fitfort, beneath a two-storey car park and six 23-storey residential blocks, namely Healthy Gardens, located in North Point, Hong Kong. As per information provided by the Group, the property has a total gross floor area of approximately 132,018 square feet ("sq.ft."). As per Occupation Permit No. H186/79, the property was completed in about 1979. The subject lot, Inland Lot No. 3546, is held under a Government Lease for a term of 75 years and renewable for another 75 years commencing from 5 May 1936.	As per our on-site inspection and information provided by the Group, the property is currently leased subject to various tenancies at a total monthly rent of approximately HKD5,675,576 with the latest expiry in March 2026. The prevailing occupancy rate is approximately 97.7%.	HKD2,000,000,000 (HONG KONG DOLLARS TWO BILLION)

Notes:

1. The property was inspected by Ines Wang *Probationer of RICS* on 6 June 2023.

2. The valuation and this certificate were prepared by Vincent Cheung *BSc(Hons) MBA FRICS MHKIS RPS(GP) MCIREA MHKSI MISCM MHIREA FHKIoD RICS Registered Valuer Registered Real Estate Appraiser & Agent PRC,* Kit Cheung *BSc(Hons) MRICS MHKIS RPS(GP) MCIREA MHIREA RICS Registered Valuer Registered Real Estate Appraiser PRC* and Iverson Chan *BSc(Hons) MRICS MHKIS RPS(GP) RICS Registered Valuer CAIA.*

3. The details of the land search records of the property dated 23 May 2023 are summarised below:-

Item	**Details**
Registered Owner:	National Goal Limited • By an assignment dated 17 December 2009, registered vide Memorial Nos. 10011302430128 and 10091502490124
Share of The Lot:	45,074/290,671
Government Rent:	HKD1,303,704 per annum (Inland Lot No. 3546)

4. Pursuant to the land search records of the property dated 23 May 2023, the property is subject to the following major encumbrances:-

- Deed of Dedication Re Portions with Plan in favour of Director of Public Works dated 27 April 1979, registered vide Memorial No. UB1694264;
- Deed of Mutual Covenant dated 28 February 1980, registered vide Memorial No. UB1851629;
- No-objection Letter from the Government of the Hong Kong Special Administrative Region by District Lands Officer/Hong Kong East dated 21 November 2001, registered vide Memorial No. UB8550688;
- Mortgage in favour of The Hongkong and Shanghai Banking Corporation Limited for all moneys (PT.) dated 21 December 2009, registered vide Memorial No. 10011302430157; and
- Assignment of Rental in favour of The Hong Kong and Shanghai Banking Corporation Limited dated 21 December 2009, registered vide Memorial No. 10011302430160.

5. Pursuant to the land search records of the property dated 23 May 2023, we have not identified any registered notice, pending litigation, breaches of law or title defect in relation to the property.

6. The property is erected on Inland Lot No. 3546, which is held under a Government Lease. The salient conditions are summarised below:-

Item	**Details**
Lot Number:	Inland Lot No. 3546
Lease Term:	75 years and renewable for another 75 years commencing from 5 May 1936
Site Area:	Approximately 63,661 sq.ft.
Major Special Conditions:	• The said Lessee or any other person or persons shall not nor will during the continuance of this demise use exercise or follow in or upon the said premises or any part thereof the trade or business of a Brazier Slaughterman Soap-maker Sugar-baker Fellmonger Melter of tallow Oilman Butcher Distiller Victualler or Tavern-keeper Blacksmith Nightman Scavenger or any other noisy noisome or offensive trade or business whatever without the previous licence of His said Majesty signified in writing by the Governor or other person duly authorised in that behalf.

Inland Lot No. 3546 is subject to a No-objection Letter from the Government of the Hong Kong Special Administrative Region by District Lands Officer/Hong Kong East dated 21 November 2001, registered vide Memorial No. UB8550688. The trade or business of *inter alia*, a Sugar-baker, Oilman, Butcher, Victualler or Tavern-keeper is permitted in or upon Basement and the whole of Lower and Upper Ground Floors of the subject development.

7. The property falls within an area zoned "Residential (Group A)" under Hong Kong Planning Area No. 8 – Draft North Point Outline Zoning Plan No. S/H8/27 exhibited on 24 March 2023.

8. As per our on-site inspection and information provided by the Group, the property is currently leased subject to various tenancies at a total monthly rent of approximately HKD5,675,576 with the latest expiry in March 2026. The prevailing occupancy rate is approximately 97.7%.

9. The general description and market information of the property are summarised below:-

Location	:	The property is located at No. 560 King's Road, North Point, Hong Kong.
Transportation	:	Hong Kong International Airport and North Point MTR Station are located approximately 44.5 kilometres and 300 metres away from the property respectively.
Nature of Surrounding Area	:	The area is predominately a residential and commercial area in North Point.

10. Pursuant to the information provided by the Group, National Goal Limited is an indirect wholly-owned subsidiary of Emperor International Holdings Limited.

11. In the course of our valuation of the property, we have considered and analysed sale comparables of retail units which are considered relevant to the property in terms of usage, locality, floor level and size, on an exhaustive basis. A total of four retail sale comparables, which are retail units located in North Point and transacted within two years from the valuation date, have been identified and analysed. The unit rates of the adopted retail sale comparables range from HKD21,653 to HKD45,038 per sq.ft. on the basis of effective saleable area.

The following table sets forth the details of the adopted retail sale comparables:

	Comparable 1	**Comparable 2**	**Comparable 3**	**Comparable 4**
Development	Siu Man Court	Tung Fat Building	Siu Bo Mansion	Roca Centre
Address	Nos. 7-9 Fort Street	No. 27 Kam Ping Street	No. 128 Tsat Tsz Mui Road	Nos. 460-470 King's Road
District	North Point	North Point	North Point	North Point
Year of Completion	1983	1964	1985	1987
Floor	Ground Floor	Ground Floor	Lower Ground Floor	Ground Floor
Unit	Shop 2	Shop 4	Shop A	Shop 2B
Effective Saleable Area (sq.ft.)	621.63	785.11	665.00	800.00
Nature	Agreement for Sale and Purchase	Agreement for Sale and Purchase	Preliminary Agreement for Sale and Purchase	Agreement for Sale and Purchase
Date of Instrument	11 April 2023	27 May 2022	6 April 2022	15 September 2021
Consideration (HKD)	17,900,000	17,000,000	21,380,000	36,030,000
Effective Saleable Unit Rate (HKD/sq.ft.)	28,795	21,653	32,150	45,038

Adjustments in terms of different aspects, including time, location, building age, floor level, size, frontage, depth, headroom and shop type, have been made to the unit rates of the adopted comparables. After due adjustments in terms of the aforesaid aspects, the adjusted unit rates of the adopted comparables are ranging from HKD21,862 to HKD36,787 per sq.ft. on the basis of effective saleable area. The adopted unit rate of the benchmark unit of the property is HKD30,895 per sq.ft. on the basis of effective saleable area.

A. FINANCIAL INFORMATION OF THE GROUP

The financial information of the Group for the year ended 31 March 2021, 31 March 2022 and 31 March 2023 are disclosed in the following documents which have been published on the website of the Stock Exchange at https://www.hkexnews.hk, and the website of the Company at https://www.EmperorInt.com:

Annual report of the Company for the year ended 31 March 2021:

https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0712/2021071200623.pdf

Annual report of the Company for the year ended 31 March 2022:

https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0713/2022071300386.pdf

Annual report of the Company for the year ended 31 March 2023:

https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0720/2023072000695.pdf

B. REVIEW OF FINANCIAL INFORMATION OF THE GROUP

TO THE BOARD OF DIRECTORS OF EMPEROR INTERNATIONAL HOLDINGS LIMITED

Introduction

We have reviewed the financial information set out on pages II-3 to II-16, which comprises the consolidated statements of financial position of Emperor International Holdings Limited (the "**Company**") and its subsidiaries (collectively referred to as the "**Group**") as of 31 March 2021, 2022 and 2023 and the consolidated statements of profit or loss and other comprehensive income, consolidated statements of changes in equity and statements of cash flows for each of the periods then ended (the "**Relevant Periods**") and explanatory notes (the "**Financial Information**"). The Financial Information has been prepared solely for the purpose of inclusion in the circular to be issued by the Company in connection with the disposal of the entire equity interest in the Target Company in accordance with Rule 14.68(2)(a)(i)(B) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The directors of the Company are responsible for the preparation and presentation of the Financial Information of the Group in accordance with the basis of preparation set out in Note 2 to the Financial Information and Rule 14.68(2)(a)(i) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The directors are also responsible for such internal control as management determines is necessary to enable the preparation of financial information that is free from material misstatement, whether due to fraud or error. The Financial Information does not contain sufficient information to constitute a complete set of financial statements as defined in Hong Kong Accounting Standard 1 "Presentation of Financial Statements" or an interim financial report as defined in Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants. Our responsibility is to express a conclusion on this Financial Information based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" and with reference to Practice Note 750 "Review of Financial Information under the Hong Kong Listing Rules for a Very Substantial Disposal" issued by the Hong Kong Institute of Certified Public Accountants. A review of the Financial Information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the Financial Information of the Group for the Relevant Periods is not prepared, in all material respects, in accordance with the basis of preparation set out in Note 2 to the Financial Information.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong, 23 August 2023

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Year ended 31 March		
	2021	2022	2023
	HK$'000	*HK$'000*	*HK$'000*
Revenue			
Contracts with customers	418,358	1,424,922	339,913
Leases	898,724	904,402	870,769
Total revenue	1,317,082	2,329,324	1,210,682
Cost of properties sales	(56,817)	(862,049)	(64,953)
Cost of hotel and hotel related operations	(463,676)	(508,415)	(406,808)
Direct operating expenses in respect of leasing of investment properties	(149,247)	(145,567)	(148,895)
Gross profit	647,342	813,293	590,026
Other income	138,176	97,878	94,421
Fair value changes of investment properties	(1,210,598)	(488,877)	(1,804,437)
Gain on disposal a subsidiary	–	–	212,069
Other gains and losses	333,805	(246,979)	(285,117)
Impairment allowance recognised for trade receivables	(1,440)	(921)	(1,346)
Selling and marketing expenses	(128,799)	(203,664)	(107,471)
Administrative expenses	(386,655)	(373,718)	(287,909)
Finance costs	(412,477)	(386,201)	(690,389)
Share of result of an associate	(54,258)	(804)	(12,447)
Share of result of a joint venture	(68)	(41,152)	(6,628)
Loss before taxation	(1,074,972)	(831,145)	(2,299,228)
Taxation credit	204,686	91,503	97,642
Loss for the year	(870,286)	(739,642)	(2,201,586)
Loss for the year attributable to:			
Owners of the Company	(767,448)	(469,329)	(2,141,983)
Non-controlling interest	(102,838)	(270,313)	(59,603)
	(870,286)	(739,642)	(2,201,586)

	Year ended 31 March		
	2021	**2022**	**2023**
	HK$'000	*HK$'000*	*HK$'000*
Loss for the year	(870,286)	(739,642)	(2,201,586)
Other comprehensive income (expense)			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations:			
– subsidiaries	758,651	277,285	(666,372)
– an associate	11,914	5,372	(9,709)
Fair value change of debt instruments at fair value through other comprehensive income	854	–	–
Reclassification adjustments for amounts transferred to profit or loss upon disposal of debt instruments at fair value through other comprehensive income	(3,270)	–	–
Other comprehensive income (expense) for the year	768,149	282,657	(676,081)
Total comprehensive expense for the year	(102,137)	(456,985)	(2,877,667)
Total comprehensive income (expense) for the year attributable to:			
Owners of the Company	1,326	(186,672)	(2,818,064)
Non-controlling interest	(103,463)	(270,313)	(59,603)
	(102,137)	(456,985)	(2,877,667)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	As at 31 March		
	2021	**2022**	**2023**
	HK$'000	*HK$'000*	*HK$'000*
Non-current assets			
Investment properties	42,429,471	41,794,471	37,944,753
Property, plant and equipment	3,057,866	2,806,112	2,723,519
Deposits paid for acquisition of investment properties/property, plant and equipment	13,359	1,681	2,182
Receivables related to a development project	175,695	183,097	169,628
Right-of-use assets	532,049	488,962	466,235
Interest in an associate	127,818	132,386	110,230
Interest in a joint venture	950,865	963,157	1,327,580
Goodwill	56,683	1,940	1,940
Other assets	3,997	3,997	3,997
Pledged bank deposits	63,000	64,134	–
	47,410,803	46,439,937	42,750,064
Current assets			
Inventories	12,402	12,014	11,312
Properties held for sale	1,670,021	668,509	582,409
Properties under development for sale	5,225,609	5,262,205	4,861,331
Trade and other receivables	1,237,560	723,474	471,528
Taxation recoverable	38,520	21,216	7,417
Deposit in designated bank account for development properties	10,040	10,569	9,885
Pledged bank deposit	353	354	66,187
Short-term bank deposits	1,415,665	314,339	56,789
Bank balances and cash	2,718,277	1,252,888	2,311,133
	12,328,447	8,265,568	8,377,991
Assets classified as held for sale	509,872	–	–
Total current assets	12,838,319	8,265,568	8,377,991

	As at 31 March		
	2021	2022	2023
	HK$'000	*HK$'000*	*HK$'000*
Current liabilities			
Trade and other payables	861,407	889,347	801,982
Contract liabilities	296,066	10,491	2,735
Amount due to an associate	141,982	147,964	137,079
Amounts due to related companies	498,721	1,701,327	1,404,128
Amounts due to non-controlling interests of subsidiaries	41,090	39,523	39,523
Taxation payable	195,014	149,752	97,098
Unsecured notes – due within one year	2,391,358	199,358	867,963
Bank borrowings – due within one year	6,044,633	3,643,614	7,803,510
Lease liabilities – due within one year	3,164	4,337	2,893
	10,473,435	6,785,713	11,156,911
Liabilities associated with assets classified as held for sale	34,508	–	–
Total current liabilities	10,507,943	6,785,713	11,156,911
Net current assets (liabilities)	2,330,376	1,479,855	(2,778,920)
Total assets less current liabilities	49,741,179	47,919,792	39,971,144
Non-current liabilities			
Contract liabilities	7,330	538	–
Unsecured notes – due after one year	2,514,078	1,243,078	379,351
Bank borrowings – due after one year	15,794,478	15,884,126	11,949,488
Lease liabilities – due after one year	36,806	37,638	33,041
Deferred taxation	1,985,706	1,986,909	1,800,942
	20,338,398	19,152,289	14,162,822
	29,402,781	28,767,503	25,808,322
Capital and reserve			
Share capital	36,775	36,775	36,775
Retained profits	27,032,695	26,729,039	23,850,421
Equity attributable to owners of the Company	27,069,470	26,765,814	23,887,196
Non-controlling interests	2,333,311	2,001,689	1,921,126
	29,402,781	28,767,503	25,808,322

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributable to owners of the Company								
	Share capital	Share premium	Translation reserve	Assets revaluation reserve	Other reserves	Retained profits	Total	Non-controlling interests	Total equity
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 1 April 2022	36,775	4,563,248	556,042	132,497	960,213	20,517,039	26,765,814	2,001,689	28,767,503
Loss for the year	–	–	–	–	–	(2,141,983)	(2,141,983)	(59,603)	(2,201,586)
Exchange differences arising on translation of foreign operations:									
– subsidiaries	–	–	(666,372)	–	–	–	(666,372)	–	(666,372)
– an associate	–	–	(9,709)	–	–	–	(9,709)	–	(9,709)
Total comprehensive expense for the year	–	–	(676,081)	–	–	(2,141,983)	(2,818,064)	(59,603)	(2,877,667)
Depreciation attributable to assets revaluation surplus	–	–	–	(920)	–	1,045	125	–	125
Acquisition of additional interests in subsidiaries	–	–	–	–	16,549	–	16,549	(20,960)	(4,411)
2022 final dividend paid	–	–	–	–	–	(58,841)	(58,841)	–	(58,841)
2023 interim dividend paid	–	–	–	–	–	(18,387)	(18,387)	–	(18,387)
At 31 March 2023	36,775	4,563,248	(120,039)	131,577	976,762	18,298,873	23,887,196	1,921,126	25,808,322

	Share capital	Share premium	Translation reserve	Assets revaluation reserve	Other reserves	Retained profits	Total	Non-controlling interests	Total equity
At 1 April 2021	36,775	4,563,248	273,385	133,417	941,254	21,121,391	27,069,470	2,333,311	29,402,781
Loss for the year	–	–	–	–	–	(469,329)	(469,329)	(270,313)	(739,642)
Exchange differences arising on translation of foreign operations:									
– subsidiaries	–	–	277,285	–	–	–	277,285	–	277,285
– an associate	–	–	5,372	–	–	–	5,372	–	5,372
Total comprehensive income (expense) for the year	–	–	282,657	–	–	(469,329)	(186,672)	(270,313)	(456,985)
Depreciation attributable to assets revaluation surplus	–	–	–	(920)	–	1,046	126	–	126
Acquisition of additional interests in subsidiaries	–	–	–	–	18,959	–	18,959	(33,578)	(14,619)
2021 final dividend paid	–	–	–	–	–	(44,131)	(44,131)	(5,189)	(49,320)
2022 interim dividend paid	–	–	–	–	–	(55,163)	(55,163)	(5,189)	(60,352)
2022 special dividend paid	–	–	–	–	–	(36,775)	(36,775)	(17,353)	(54,128)
At 31 March 2022	36,775	4,563,248	556,042	132,497	960,213	20,517,039	26,765,814	2,001,689	28,767,503

	Attributable to owners of the Company									
	Share capital	Share premium	Translation reserve	Assets revaluation reserve	Investments revaluation reserve	Other reserves	Retained profits	Total	Non-controlling interests	Total equity
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 1 April 2020	36,775	4,563,248	(497,180)	137,473	1,791	900,627	22,057,501	27,200,235	2,521,969	29,722,204
Loss for the year	–	–	–	–	–	–	(767,448)	(767,448)	(102,838)	(870,286)
Exchange differences arising on translation of foreign operations:										
– subsidiaries	–	–	758,651	–	–	–	–	758,651	–	758,651
– an associate	–	–	11,914	–	–	–	–	11,914	–	11,914
Fair value change of debt instruments at fair value through other comprehensive income	–	–	–	–	448	–	–	448	406	854
Reclassification adjustments for amounts transferred to profit or loss upon disposal of debt instruments at fair value through other comprehensive income	–	–	–	–	(2,239)	–	–	(2,239)	(1,031)	(3,270)
Total comprehensive income (expense) for the year	–	–	770,565	–	(1,791)	–	(767,448)	1,326	(103,463)	(102,137)
Depreciation attributable to assets revaluation surplus	–	–	–	(920)	–	–	1,047	127	–	127
Release of assets revaluation reserve upon disposal of subsidiaries	–	–	–	(3,136)	–	–	3,136	–	–	–
Acquisition of additional interests in subsidiaries	–	–	–	–	–	40,627	–	40,627	(68,448)	(27,821)
2020 final dividend paid	–	–	–	–	–	–	(128,714)	(128,714)	(11,292)	(140,006)
2021 interim dividend paid	–	–	–	–	–	–	(44,131)	(44,131)	(5,455)	(49,586)
At 31 March 2021	36,775	4,563,248	273,385	133,417	–	941,254	21,121,391	27,069,470	2,333,311	29,402,781

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year ended 31 March		
	2021	**2022**	**2023**
	HK$'000	*HK$'000*	*HK$'000*
Operating activities			
Cash generated from operations	463,790	1,148,101	437,022
Income tax (paid) refunded			
– in Hong Kong Special Administrative Region	(105,227)	12,926	7,219
– in Macau Special Administrative Region	(38)	–	–
– in People's Republic of China	(1,418)	(1,391)	(1,354)
– in United Kingdom	(754)	(14,157)	(5,765)
Net cash from operating activities	356,353	1,145,479	437,122
Investing activities			
Placement of short-term bank deposits	(1,554,608)	(328,307)	(79,153)
Acquisition of investment properties and costs incurred for investment properties under development	(457,329)	(113,077)	(33,910)
Advance to a joint venture	(119,600)	(34,400)	(283,998)
Acquisition of partial interest of a joint venture	–	–	(65,002)
Acquisition of property, plant and equipment	(28,659)	(29,229)	(26,567)
Placement of pledged bank deposit	(63,005)	(1,135)	(2,054)
Deposits paid on acquisition of investment properties/property, plant and equipment	(9,057)	(10,850)	(1,542)
Placement of deposit in designated bank account for development properties	(97)	(104)	(94)
Withdrawal of short-term bank deposits	1,119,599	1,429,633	336,703
Withdrawal of pledged bank deposit	–	–	355
Proceeds from disposal of subsidiaries	88,617	1,495,018	1,831,671
Proceeds from disposal of investment properties	–	185,013	–
Interest received	72,556	55,514	30,825
Proceeds from disposal of property, plant and equipment	308	610	1,788
Proceeds from disposal of debt instruments at fair value through other comprehensive income	81,704	–	–
Proceeds from disposal of other assets	97	–	–
Net cash (used in) from investing activities	(869,474)	2,648,686	1,709,022

	Year ended 31 March		
	2021	**2022**	**2023**
	HK$'000	*HK$'000*	*HK$'000*
Financing activities			
Bank borrowings raised	6,211,547	7,930,319	5,655,336
Advances from related companies	511,647	1,573,296	737,875
Repayments of bank borrowings	(5,181,190)	(10,198,928)	(5,348,745)
Redemption of unsecured notes	(2,205,212)	(3,486,813)	(200,000)
Interest paid for financial liabilities	(689,373)	(527,920)	(785,433)
Dividends paid to owners of the Company	(172,845)	(136,069)	(77,228)
Repayments to related companies	(115,606)	(370,690)	(1,035,074)
Acquisition of additional interests in subsidiaries	(27,821)	(14,619)	(4,411)
Dividends paid to non-controlling interests of subsidiaries	(16,747)	(27,731)	–
Repayments of lease liabilities	(3,844)	(3,856)	(4,554)
Interest paid for lease liabilities	(1,521)	(1,470)	(1,324)
Repayments to non-controlling interests of subsidiaries	–	(1,567)	–
Proceeds from issuance of unsecured notes	1,928,537	–	–
Advance from an associate	45,742	–	–
Net cash from (used in) financing activities	283,314	(5,266,048)	(1,063,558)
Net (decrease) increase in cash and cash equivalents	(229,807)	(1,471,883)	1,082,586
Cash and cash equivalents at beginning of the year	2,943,493	2,718,494	1,252,888
Effect of foreign exchange rate changes	4,808	6,277	(24,341)
Cash and cash equivalents at end of the year, representing bank balances and cash	2,718,494	1,252,888	2,311,133
Analysis of the balances of cash and cash equivalents:			
Bank balances and cash	2,718,277	1,252,888	2,311,133
Bank balances and cash included in a disposal group classified as held for sale	217	–	–
	2,718,494	1,252,888	2,311,133

NOTES TO THE FINANCIAL INFORMATION OF THE GROUP

1. GENERAL INFORMATION

Emperor International Holdings Limited (the "**Company**") is incorporated in Bermuda as an exempted company with limited liability and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). The Company's immediate holding company is Emperor International Group Holdings Limited, a limited liability company incorporated in British Virgin Islands ("**BVI**"). The ultimate holding company of the Company is Albert Yeung Holdings Limited ("**AY Holdings**"), a limited liability company incorporated in the BVI which is in turn held by First Trust Services AG, being the trustee of The Albert Yeung Discretionary Trust, the settlor and founder of which is Dr. Yeung Sau Shing, Albert. The address of the registered office of the Company is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda and its principle place of business is 28th Floor, Emperor Group Centre, 288 Hennessy Road, Wanchai, Hong Kong.

Joybridge Services Limited (the "**Target Company**") is an indirect wholly owned subsidiary of the Company and is a limited company incorporated in BVI. The Target Company is engaged in investment holding of two wholly-owned subsidiaries, namely Wealth Tone Limited ("**Excluded Subsidiary**"), a limited liability company incorporated in Hong Kong, and National Goal Limited ("**Property Company**"), a limited liability company incorporated in Hong Kong (collectively referred to as the "**Joybridge Group**"). The Property Company is engaged in property investment which holds the retail podium, namely Fitfort Shopping Arcade, and a two-storey car park located at No. 560 King's Road, North Point, Hong Kong.

As a condition precedent for the completion of the transaction, the Target Company has to transfer the Excluded Subsidiary and the two-storey car park in the Property Company to other subsidiaries of the Company (the "**Transfer**"). Upon completion of the Transfer, Joybridge Group will then comprise of the Target Company and the Property Company excluding the two-storey car park (the "**Target Group**") with the businesses of investment holding and leasing of Fitfort Shopping Arcade (the "**Disposing Businesses**").

The Financial Information is presented in Hong Kong dollars, which is the functional currency of the Company.

2. BASIS OF PREPARATION

The Financial Information has been prepared in accordance with paragraph 14.68(2)(a)(i)(B) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, and solely for the purposes of inclusion in this circular. It does not contain sufficient information to constitute a complete set of financial statements as defined in Hong Kong Accounting Standard 1 "Presentation of Financial Statements" issued by the Hong Kong Institute of Certified Public Accountants nor an interim financial report as defined in Hong Kong Accounting Standard 34 "Interim Financial Reporting" and should be read in conjunction with the annual report of the Company for the year ended 31 March 2023.

The Financial Information has been prepared in accordance with the relevant accounting policies adopted by the Group as set out in the respective annual reports of the Company for the years ended 31 March 2021, 2022 and 2023 ("**Relevant Periods**"). Except for the new and amendments to Hong Kong Financial Reporting Standards ("**HKFRSs**") which have been applied to the Financial Information as and when they became effective, all the relevant accounting policies have been consistently applied to all the periods presented.

New and amendments to HKFRSs in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

HKFRS 17	Insurance Contracts[1]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[2]
Amendment to HKFRS 16	Lease Liability in Sale and Leaseback[3]
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)[3]
Amendments to HKAS 1	Non-current Liabilities with Covenants[3]
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies[1]
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements[3]
Amendments to HKAS 8	Definition of Accounting Estimates[1]
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction[1]
Amendments to HKAS 12	International Tax Reform – Pillar Two Model Rules[4]

1 Effective for annual periods beginning on or after 1 January 2023.
2 Effective for annual periods beginning on or after a date to be determined.
3 Effective for annual periods beginning on or after 1 January 2024.
4 Effective for annual periods beginning on or after 1 January 2023 (except for HKAS 12 paragraphs 4A and 88A which are immediately effective upon issue of the amendments)

The management of the Group anticipate that the application of all new and amendments to HKFRSs will have no material impact on the Financial Information in the foreseeable future.

3. UNAUDITED COMBINED FINANCIAL INFORMATION OF THE TARGET GROUP

The directors of the Company consider presenting unaudited combined financial information, on an as if basis, of businesses of investment holding and leasing of Fitfort Shopping Arcade would illustrate clearly the unaudited combined financial information of the Target Group for the Relevant Periods to the shareholders of the Company. Accordingly, the financial information of the Target Group as set out in this note has been prepared on a combined basis, as if the Transfer had been completed at the beginning of the Relevant Periods.

Set out below are the unaudited combined statements of financial position of the Disposing Businesses of the Target Group as at 31 March 2021, 2022 and 2023, and the unaudited combined statements of profit or loss and other comprehensive income, unaudited combined statements of changes in equity and cash flow statements of the Disposing Businesses of the Target Group for the Relevant Periods.

UNAUDITED COMBINED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME OF THE TARGET GROUP

	Year ended 31 March		
	2021	**2022**	**2023**
	HK$'000	*HK$'000*	*HK$'000*
Revenue	71,034	69,618	68,559
Direct operating expenses in respect of leasing of investment property	(3,321)	(2,530)	(746)
Gross profit	67,713	67,088	67,813
Other income	815	396	25
Change in fair value of investment property	204,000	53,876	(268,628)
Selling and marketing expenses	(118)	(119)	(594)
Administrative expenses	(27,899)	(40,541)	(30,649)
Finance cost	(24,844)	(22,105)	(31,388)
Profit (loss) before taxation	219,667	58,595	(263,421)
Taxation charge	(2,589)	(777)	(860)
Profit (loss) and total comprehensive income (expense) for the year	217,078	57,818	(264,281)

UNAUDITED COMBINED STATEMENTS OF FINANCIAL POSITION OF THE TARGET GROUP

	At 31 March		
	2021	**2022**	**2023**
	HK$'000	*HK$'000*	*HK$'000*
Non-current asset			
Investment properties	2,213,000	2,268,000	2,000,000
Current assets			
Rental and other receivables, deposits and prepayments	5,145	7,172	5,546
Taxation recoverable	–	1,272	232
Bank balances	114	144	64
	5,259	8,588	5,842
Current liabilities			
Deposits received and accrued charges	36,890	38,698	35,552
Amounts due to fellow subsidiaries	760,573	758,575	754,396
Taxation payable	76	–	–
	797,539	797,273	789,948
Net current liabilities	(792,280)	(788,685)	(784,106)
Non-current liability			
Deferred taxation	24,507	25,284	26,144
	1,396,213	1,454,031	1,189,750
Capital and reserve			
Share capital	–*	–*	–*
Retained profits	1,396,213	1,454,031	1,189,750
	1,396,213	1,454,031	1,189,750

* *Less than HK$1,000*

UNAUDITED COMBINED STATEMENTS OF CHANGES IN EQUITY OF THE TARGET GROUP

	Share capital	**Retained profits**	**Total**
	HK$'000	*HK$'000*	*HK$'000*
At 1 April 2020	–*	1,179,135	1,179,135
Profit and total comprehensive income for the year	–	217,078	217,078
At 31 March 2021	–*	1,396,213	1,396,213
Profit and total comprehensive income for the year	–	57,818	57,818
At 31 March 2022	–*	1,454,031	1,454,031
Loss and total comprehensive expense for the year	–	(264,281)	(264,281)
At 31 March 2023	–*	1,189,750	1,189,750

* *Less than HK$1,000*

UNAUDITED COMBINED STATEMENTS OF CASH FLOWS OF THE TARGET GROUP

	Year ended 31 March		
	2021	**2022**	**2023**
	HK$'000	*HK$'000*	*HK$'000*
Operating activities	219,667	58,595	(263,421)
Profit (loss) before taxation			
Adjustments for:			
Finance cost	24,844	22,105	31,388
Change in fair value of investment property	(204,000)	(53,876)	268,628
Operating cash flows before movements in working capital	40,511	26,824	36,595
Decrease (increase) in rental and other receivable, deposits and prepayments	913	(2,027)	1,626
Increase (decrease) in deposits received and accrued charges	1,171	1,808	(3,146)
Cash generated from operations	42,595	26,605	35,075
Hong Kong Profits tax (paid) refunded	–	(1,348)	1,040
Net cash from operating activities	42,595	25,257	36,115
Cash used in investing activity			
Addition of investment property	–	(1,124)	(628)
Cash used in financing activity			
Repayment to a fellow subsidiary	(42,519)	(24,103)	(35,567)
Net increase (decrease) in cash and cash equivalents	76	30	(80)
Cash and cash equivalents at beginning of the year	38	114	144
Cash and cash equivalents at end of the year, representing bank balance	114	144	64

C. INDEBTEDNESS

At the close of business on 30 June 2023 (being the latest practicable date for ascertaining information regarding this indebtedness statement), the Group had an aggregate outstanding indebtedness amounting to approximately HK$21,691.5 million, which consists of:

Other borrowings

As at 30 June 2023, the Group had:

(i) Unsecured, unguaranteed borrowings from related companies, being wholly-owned subsidiaries of The Albert Yeung Discretionary Trust, of approximately HK$898.7 million;

(ii) Unsecured, unguaranteed borrowings from non-controlling interests of subsidiaries of approximately HK$39.5 million; and

(iii) The principal amount of unsecured, unguaranteed notes totalling HK$1,247.3 million.

Lease liabilities

The Group measures the lease liabilities at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rates. At the close of business on 30 June 2023, the Group had total lease liabilities of approximately HK$34.6 million.

Bank Borrowing

As at 30 June 2023, the Group has secured bank borrowings of approximately HK$14,281.4 million, which are secured by certain properties and bank deposits of the Group and unsecured, unguaranteed bank borrowings of approximately HK$5,190.0 million.

Guarantees

At the close of business on 30 June 2023, the Group had given corporate guarantee of HK$1,165.0 million to a bank in respect of bank facilities granted to a joint venture of which HK$1,012.7 million had been utilised.

Disclaimer

Save for the aforesaid and apart from intra-group liabilities, at the close of business on 30 June 2023, the Group did not have any debt securities issued and outstanding, or any other borrowings or indebtedness including bank overdrafts and liabilities under acceptances (other than normal trade payables) or acceptance credits or hire purchases commitments, or any other borrowings subject to mortgages or charges, or any other material contingent liabilities or guarantees.

D. WORKING CAPITAL

After taking into account the present internal financial resources available to the Group, including cash and bank balances, the available banking facilities as well as the financial effect of the Disposal, the Directors are of the opinion that the working capital available to the Group is sufficient for the Group's requirement for at least 12 months from the date of this circular. The Company has obtained the relevant confirmation as required under Rule 14.66(12) of the Listing Rules.

E. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any circumstances or events, having taken into account the financial effect of the Disposal, that may give rise to a material adverse change in the financial or trading position of the Group since 31 March 2023, being the date to which the latest audited consolidated financial statements of the Group were made up.

F. FINANCIAL AND TRADING PROSPECTS OF THE REMAINING GROUP

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 Remaining Group's retail leasing – especially in tourist areas – is poised to benefit.

Property developers have been proactively pushing ahead with sales launches of first-hand units since the beginning of 2023, and these have received positive feedback from the market. With the Remaining Group's solid development properties pipeline, it will strive to seize the opportunities given the huge demand for yet limited supply of housing. The Remaining 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.

UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE REMAINING GROUP

The unaudited pro forma financial information of Emperor International Holdings Limited (the "**Company**") and its subsidiaries (hereinafter collectively referred to as the "**Group**") excluding Joybridge Services Limited ("**Target Company**") and National Goal Limited ("**Property Company**") (collectively referred to as the "**Target Group**") with the businesses of investment holding and leasing of Fitfort Shopping Arcade (the "**Remaining Group**") ("**Unaudited Pro Forma Financial Information**") has been prepared by the directors in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited and solely for the purpose to illustrate (a) the financial position of the Remaining Group as if the disposal of equity interest and the loan due from the Target Group by Emperor Property Investment Limited (the "**Vendor**"), a wholly-owned subsidiary of the Company, to Emperor Agency Limited (the "**Purchaser**") pursuant to the sale and purchase agreement dated 3 July 2023 entered into between the Vendor and the Purchaser (the "**Disposal**") had been completed on 31 March 2023; and (b) the financial results and cash flows of the Remaining Group as if the Disposal had been completed on 1 April 2022.

The unaudited pro forma consolidated statement of financial position of the Remaining Group has been prepared based on the audited consolidated statement of financial position of the Group as at 31 March 2023 which has been extracted from the Group's published annual report for the year ended 31 March 2023, after taking into account the pro forma adjustments relating to the Disposal that are (i) clearly shown and explained; (ii) directly attributable to the Disposal and not relating to future events or decisions; and (iii) factually supportable, as explained in the accompanying notes, as if the Disposal had been completed on 31 March 2023.

The unaudited pro forma consolidated statement of profit or loss and other comprehensive income and the unaudited pro forma consolidated statement of cash flows of the Remaining Group are prepared based on the audited consolidated statement of profit or loss and other comprehensive income and the audited consolidated statement of cash flows of the Group for the year ended 31 March 2023, which have been extracted from the Group's published audit report for the year ended 31 March 2023, after taking into account the pro forma adjustments relating to the Disposal that are (i) clearly shown and explained; (ii) directly attributable to the Disposal and not relating to future events or decisions; and (iii) factually supportable, as explained in the accompanying notes, as if the Disposal had been completed on 1 April 2022.

The Unaudited Pro Forma Financial Information has been prepared by the directors based on certain assumptions, estimates and uncertainties for illustrative purposes only and because of its hypothetical nature, the Unaudited Pro Forma Financial Information may not purport to predict what the financial position of the Remaining Group would have been if the Disposal had been completed on 31 March 2023 or at any future dates, or what the financial results and cash flows of the Remaining Group for the year ended 31 March 2023 or for any future periods would have been if the Disposal had been completed on 1 April 2022.

The Unaudited Pro Forma Financial Information should be read in conjunction with the financial information of the Group as set out in Appendix II to this circular. Reference is made to the Company's circular dated 23 August 2023.

Unaudited Pro Forma Consolidated Statement of Financial Position of the Remaining Group

As at 31 March 2023

	The Group as at 31 March 2023	Pro forma adjustments				The Remaining Group as at 31 March 2023
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	(Note 1)	*(Note 2a)*	*(Note 2b)*	*(Note 2c)*	*(Note 2d)*	
Non-current assets						
Investment properties	37,944,753	(2,000,000)	–	–	–	35,944,753
Property, plant and equipment	2,723,519	–	–	–	–	2,723,519
Deposits paid for acquisition of investment properties/property, plant and equipment	2,182	–	–	–	–	2,182
Receivables related to a development project	169,628	–	–	–	–	169,628
Right-of-use assets	466,235	–	–	–	–	466,235
Interest in an associate	110,230	–	–	–	–	110,230
Interest in a joint venture	1,327,580	–	–	–	–	1,327,580
Goodwill	1,940	–	–	–	–	1,940
Other assets	3,997	–	–	–	–	3,997
	42,750,064	(2,000,000)	–	–	–	40,750,064
Current assets						
Inventories	11,312	–	–	–	–	11,312
Properties held for sale	582,409	–	–	–	–	582,409
Properties under development for sale	4,861,331	–	–	–	–	4,861,331
Trade receivables and other receivables	471,528	(5,546)	–	–	–	465,982
Taxation recoverable	7,417	(232)	–	–	–	7,185
Deposit in designated bank account for development properties	9,885	–	–	–	–	9,885
Pledged bank deposits	66,187	–	–	–	–	66,187
Short-term bank deposits	56,789	–	–	–	–	56,789
Bank balances and cash	2,311,133	(64)	(1,500)	1,944,146	(811,300)	3,442,415
	8,377,991	(5,842)	(1,500)	1,944,146	(811,300)	9,503,495

Unaudited Pro Forma Consolidated Statement of Financial Position of the Remaining Group – Continued

As at 31 March 2023

	The Group as at 31 March 2023	Pro forma adjustments				The Remaining Group as at 31 March 2023
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	(Note 1)	*(Note 2a)*	*(Note 2b)*	*(Note 2c)*	*(Note 2d)*	
Current liabilities						
Trade and other payables	801,982	(35,552)	–	–	–	766,430
Contract liabilities	2,735	–	–	–	–	2,735
Amount due to an associate	137,079	–	–	–	–	137,079
Amount due to a related company	1,404,128	–	–	–	–	1,404,128
Amounts due to non-controlling interests of subsidiaries	39,523	–	–	–	–	39,523
Taxation payable	97,098	–	–	–	–	97,098
Unsecured notes – due within on year	867,963	–	–	–	–	867,963
Bank borrowings – due within one year	7,803,510	–	–	–	(811,300)	6,992,210
Lease liabilities – due within one year	2,893	–	–	–	–	2,893
Amount due to fellow subsidiaries	–	(754,396)	–	754,396	–	–
	11,156,911	(789,948)	–	754,396	(811,300)	10,310,059
Net current liabilities	(2,778,920)	784,106	(1,500)	1,189,750	–	(806,564)
Total assets less current liabilities	39,971,144	(1,215,894)	(1,500)	1,189,750	–	39,943,500
Non-current liabilities						
Unsecured notes – due after one year	379,351	–	–	–	–	379,351
Bank borrowings – due after one year	11,949,488	–	–	–	–	11,949,488
Lease liabilities – due after one year	33,041	–	–	–	–	33,041
Deferred taxation	1,800,942	(26,144)	–	–	–	1,774,798
	14,162,822	(26,144)	–	–	–	14,136,678
	25,808,322	(1,189,750)	(1,500)	1,189,750	–	25,806,822
Capital and reserves						
Share capital	36,775	–	–	–	–	36,775
Reserves	23,850,421	(1,189,750)	(1,500)	1,189,750	–	23,848,921
Equity attributable to the owners of the Company	23,887,196	(1,189,750)	(1,500)	1,189,750	–	23,885,696
Non-controlling interests	1,921,126	–	–	–	–	1,921,126
	25,808,322	(1,189,750)	(1,500)	1,189,750	–	25,806,822

Unaudited Pro Forma Consolidated Statement of Profit or Loss and Other Comprehensive Income of the Remaining Group

For the year ended 31 March 2023

	The Group for the year ended 31 March 2023	Pro forma adjustments		The Remaining Group for the year ended 31 March 2023
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
	(Note 1)	*(Note 3a)*	*(Note 3b)*	
Revenue				
Contracts with customers	339,913	–	–	339,913
Leases	870,769	(68,559)	–	802,210
Total revenue	1,210,682	(68,559)	–	1,142,123
Cost of properties sales	(64,953)	–	–	(64,953)
Cost of hotel and hotel related operations	(406,808)	–	–	(406,808)
Direct operating expenses in respect of leasing of investment properties	(148,895)	746	–	(148,149)
Gross profit	590,026	(67,813)	–	522,213
Other income	94,421	(25)	–	94,396
Fair value change in investment properties	(1,804,437)	268,628	–	(1,535,809)
Gain on disposal of a subsidiary	212,069	–	–	212,069
Other gains and losses	(285,117)	–	–	(285,117)
Impairment allowance recognised for trade receivables	(1,346)	–	–	(1,346)
Selling and marketing expenses	(107,471)	594	–	(106,877)
Administrative expenses	(287,909)	30,649	(1,500)	(258,760)
Finance costs	(690,389)	31,388	–	(659,001)
Share of results of an associate	(12,447)	–	–	(12,447)
Share of results of a joint venture	(6,628)	–	–	(6,628)
Loss before taxation	(2,299,228)	263,421	(1,500)	(2,037,307)
Taxation credit	97,642	860	–	98,502
Loss for the year	(2,201,586)	264,281	(1,500)	(1,938,805)
Other comprehensive expenses				
Items that may be reclassified subsequently to profit or loss:				
Exchange differences arising on translation of foreign operations:				
– subsidiaries	(666,372)	–	–	(666,372)
– an associate	(9,709)	–	–	(9,709)
Other comprehensive expense for the year	(676,081)	–	–	(676,081)
Total comprehensive expenses for the year	(2,877,667)	264,281	(1,500)	(2,614,886)

Unaudited Pro Forma Consolidated Statement of Profit or Loss and Other Comprehensive Income of the Remaining Group – Continued

For the year ended 31 March 2023

	The Group for the year ended 31 March 2023	Pro forma adjustments		The Remaining Group for the year ended 31 March 2023
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
	(Note 1)	*(Note 3a)*	*(Note 3b)*	
Loss for the year attributable to:				
Owners of the Company	(2,141,983)	264,281	(1,500)	(1,879,202)
Non-controlling interests	(59,603)	–	–	(59,603)
	(2,201,586)	264,281	(1,500)	(1,938,805)
Total comprehensive expense for the year attributable to:				
Owners of the Company	(2,818,064)	264,281	(1,500)	(2,555,283)
Non-controlling interests	(59,603)	–	–	(59,603)
	(2,877,667)	264,281	(1,500)	(2,614,886)

Unaudited Pro Forma Consolidated Statement of Cash Flows of the Remaining Group

For the year ended 31 March 2023

	The Group for the year ended 31 March 2023	Pro forma adjustments			The Remaining Group for the year ended 31 March 2023
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	(Note 1)	*(Note 3a)*	*(Note 3b)*	*(Note 3c)*	
Operating activities					
Loss before taxation	(2,299,228)	263,421	(1,500)	–	(2,037,307)
Adjustments for:					
Interest income	(40,733)	–	–	–	(40,733)
Interest expenses	658,962	(31,388)	–	–	627,574
Depreciation of property, plant and equipment	142,387	–	–	–	142,387
Depreciation of right-of-use assets	21,240	–	–	–	21,240
Share of result of an associate	12,447	–	–	–	12,447
Share of result of a joint venture	6,628	–	–	–	6,628
Fair value changes of investment properties	1,804,437	(268,628)	–	–	1,535,809
Write-downs of properties under development for sales, net	251,703	–	–	–	251,703
Write-downs of properties held for sale	21,113	–	–	–	21,113
Impairment allowance recognised for trade receivables	1,346	–	–	–	1,346
Reversal of impairment losses recognised on property, plant and equipment	(31,781)	–	–	–	(31,781)
Gain on disposal of property, plant and equipment	(1,258)	–	–	–	(1,258)
Gain on disposal of a subsidiary	(212,069)	–	–	–	(212,069)
Unrealised exchange loss	70,558	–	–	–	70,558
Operating cash flows before movements in working capital	405,752	(36,595)	(1,500)	–	367,657
Decrease in inventories	702	–	–	–	702
Decrease in properties held for sale	64,954	–	–	–	64,954
Increase in properties under development for sale	(184,636)	–	–	–	(184,636)
Decrease in trade and other receivables	226,130	(1,626)	–	–	224,504
Decrease in trade and other payables	(67,586)	3,146	–	–	(64,440)
Decrease in contract liabilities	(8,294)	–	–	–	(8,294)
Cash generated from operations	437,022	(35,075)	(1,500)	–	400,447
Income tax refund (paid)					
– in Hong Kong Special Administrative Region	7,219	(1,040)	–	–	6,179
– in People's Republic of China	(1,354)	–	–	–	(1,354)
– in United Kingdom	(5,765)	–	–	–	(5,765)
Net cash from operating activities	437,122	(36,115)	(1,500)	–	399,507

Unaudited Pro Forma Consolidated Statement of Cash Flows of the Remaining Group – Continued

For the year ended 31 March 2023

	The Group for the year ended 31 March 2023	Pro forma adjustments			The Remaining Group for the year ended 31 March 2023
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	(Note 1)	*(Note 3a)*	*(Note 3b)*	*(Note 3c)*	
Investing activities					
Placement of short-term bank deposits	(79,153)	–	–	–	(79,153)
Acquisition of investment properties and costs incurred for investment properties under development	(33,910)	628	–	–	(33,282)
Advance to a joint venture	(283,998)	–	–	–	(283,998)
Acquisition of partial interest of a joint venture	(65,002)	–	–	–	(65,002)
Acquisition of property, plant and equipment	(26,567)	–	–	–	(26,567)
Placement of pledged bank deposit	(2,054)	–	–	–	(2,054)
Deposits paid on acquisition of investment properties/property, plant and equipment	(1,542)	–	–	–	(1,542)
Placement of deposit in designated bank account for development properties	(94)	–	–	–	(94)
Withdrawal of short-term bank deposits	336,703	–	–	–	336,703
Withdrawal of pledged bank deposit	355	–	–	–	355
Proceeds from disposal of subsidiaries	1,831,671	–	–	2,212,462	4,044,133
Interest received	30,825	–	–	–	30,825
Proceeds from disposal of property, plant and equipment	1,788	–	–	–	1,788
Net cash from investing activities	1,709,022	628	–	2,212,462	3,922,112
Financing activities					
Bank borrowings raised	5,655,336	–	–	–	5,655,336
Advance from a related company	737,875	–	–	–	737,875
Repayments of bank borrowings	(5,348,745)	–	–	(848,506)	(6,197,251)
Redemption of unsecured notes	(200,000)	–	–	–	(200,000)
Interest paid for financial liabilities	(785,433)	–	–	–	(785,433)
Dividends paid to owners of the Company	(77,228)	–	–	–	(77,228)
Repayment to a related company	(1,035,074)	–	–	–	(1,035,074)
Acquisition of additional interests in subsidiaries	(4,411)	–	–	–	(4,411)
Repayments of lease liabilities	(4,554)	–	–	–	(4,554)
Interest paid for lease liabilities	(1,324)	–	–	–	(1,324)
Repayments to fellow subsidiaries	–	35,567	–	–	35,567
Net cash used in financing activities	(1,063,558)	35,567	–	(848,506)	(1,876,497)

Unaudited Pro Forma Consolidated Statement of Cash Flows of the Remaining Group – Continued

For the year ended 31 March 2023

	The Group for the year ended 31 March 2023	Pro forma adjustments			The Remaining Group for the year ended 31 March 2023
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	(Note 1)	*(Note 3a)*	*(Note 3b)*	*(Note 3c)*	
Net increase in cash and cash equivalents	1,082,586	80	(1,500)	1,363,956	2,445,122
Cash and cash equivalents at beginning of the reporting period	1,252,888	(144)	–	–	1,252,744
Effect of foreign exchange rate changes	(24,341)	–	–	–	(24,341)
Cash and cash equivalents at end of the reporting period, representing bank balances and cash	2,311,133	(64)	(1,500)	1,363,956	3,673,525

Notes:

1. The amounts are extracted from the audited consolidated statement of financial position as at 31 March 2023, audited consolidated statement of profit or loss and other comprehensive income and audited consolidated statement of cash flow of Emperor International Holdings Limited for the year ended 31 March 2023 as set out in the published annual report of the Company.

2. The following pro forma adjustments have been made to the unaudited pro forma consolidated statement of financial position of the Remaining Group, assuming the Disposal had taken place on 31 March 2023:

   (a) The adjustment represents the exclusion of assets and liabilities of the Target Group to be disposed of as at 31 March 2023.

   The amounts are extracted from notes to the financial information of the Group as set out in Appendix II.

(b) The adjustment represents the estimated legal and professional fee attributable to the Disposal.

(c) The adjustment represents the proceeds for the disposal of the Target Group as if the Disposal was completed on 31 March 2023:

	HK$'000
Consideration received *(note i)*	1,944,146

(i) The consideration payable by the Purchaser to the Vendor in respect of the Disposal is determined based on the net asset value of the Target Group and the loan and sum owed by the Target Group to the Remaining Group as at the date of completion. The amounts are extracted from notes to the financial information of the Group as set out in Appendix II.

	HK$'000
Net assets of the Target Group as at 31 March 2023	1,189,750
Add:	
Amounts due to fellow subsidiaries	754,396
	1,944,146

(d) The adjustment represents repayment of bank borrowing raised by the Remaining Group for the release and discharge of the existing securities on the property held by the Target Group as if the Disposal was completed on 31 March 2023.

3. The following pro forma adjustments have been made to the unaudited pro forma consolidated profit and loss and statement of comprehensive income and unaudited pro forma consolidated cash flows of the Remaining Group, assuming the Disposal had taken place on 1 April 2022:

(a) The adjustment represents the exclusion of income and expenses of the Target Group to be disposed of as at 1 April 2022.

The amounts are extracted from notes to the financial information of the Group as set out in Appendix II.

(b) The adjustment represents the estimated legal and professional fee attributable to the Disposal.

(c) The adjustment represents the proceeds and payments for the disposal of the Target Group as if the Disposal was completed on 1 April 2022:

	HK$'000
Consideration received *(note i)*	2,212,606
Less:	
Cash and cash equivalent held by the Target Group as at 1 April 2022	(144)
	2,212,462
Less:	
Repayment of bank borrowing raised by the Remaining Group for the release and discharge of the existing securities on the property held by the Target Group	(848,506)
Net cash inflow from the Disposal	1,363,956

(i) The consideration payable by the Purchaser to the Vendor in respect of the Disposal is determined based on the net asset value of the Target Group and the loan and sum owed by the Target Group to the Remaining Group as at the date of completion. The amounts are extracted from notes to the financial information of the Group as set out in Appendix II.

	HK$'000
Net assets of the Target Group as at 1 April 2022	1,454,031
Add:	
Amounts due to fellow subsidiaries	758,575
	2,212,606

Following the completion of the Disposal, the Remaining Group will continue to carry out its existing principal business in property investments, property development and hospitality in the Greater China and overseas.

Set out below is the management discussion and analysis on the results of operations and financial conditions of the Remaining Group for the years ended 31 March 2021, 2022 and 2023. The financial data in respect of the Remaining Group, for the purpose of this circular, is derived from the consolidated financial statements of the Company for each of the three years ended 31 March 2021, 2022 and 2023.

FOR THE YEAR ENDED 31 MARCH 2021

Market review

The Covid-19 pandemic was a catastrophe for the global economy. National lockdown and travel restrictions were enforced in many countries throughout the financial year ended 31 March 2021 ("**FY2021**"), seriously disrupting economic and trading activities. On the other hand, China has substantially contained the pandemic, and the Chinese government has been relaxing the travel restrictions within the Greater Bay Area, which was beneficial to the economic recovery of Greater Bay Area cities.

Domestically, the office leasing market has stagnated as some corporations are downsizing while others are retreating from the Hong Kong market. In respect of retail spaces, market sentiment started to improve in the second half of FY2021, and hence retail leasing demand. Nonetheless, a full recovery is yet to be achieved.

As for the property development market, home buyers' confidence began to pick up as the pandemic in Hong Kong started to stabilise. With a low interest rate environment and relatively resilient market demand, property developers have been gradually resuming sales launches.

Financial review

The Remaining Group's total revenue decreased to HK$1,246.0 million during FY2021. Rental income decreased to HK$827.7 million, representing 66.4% of total revenue of the Remaining Group. The decrease was mainly attributable to softened office leasing demand amid a sluggish economy, as well as rental relief measures that were implemented.

Revenue from the sales of property development was HK$82.2 million, which was contributed by the sales income from Peak Castle, accounted for 6.6% of the Remaining Group's total revenue. Contracted sales of approximately HK$357.9 million from Central 8 were achieved during FY2021, and will be recognised in the next financial year.

With the tourism industry still adversely affected by the Covid-19 pandemic, revenue from the hospitality segment declined to HK$336.2 million, which accounted for 27.0% of the Remaining Group's total revenue.

Capital Structure, Liquidity and Financial Resources

As at 31 March 2021, the Remaining Group's net asset value attributable to owners of the Company and the respective net asset value per share amounted to HK$25,673.3 million and HK$6.98 per share, respectively.

The Remaining Group had cash, bank balances and bank deposits amounted to HK$4,133.8 million as at 31 March 2021. The total external borrowings (excluding payables) was approximately HK$27,284.4 million comprising an approximately HK$8,975.8 million due within one year, and HK$18,308.6 million due after one year. Among the Remaining Group's external borrowings, approximately HK$21,839.1 million were bank borrowings. The bank borrowings carried interest ranging from from HIBOR + 0.55% to HIBOR + 2.50% per annum and at LIBOR + 1.53% per annum, with the effective interest rate at 1.59% per annum. Approximately HK$8,975.8 million was due within one year. The Remaining Group's external borrowings were denominated in HK$ and GBP. The Company has always been pursuing a prudent cash and financial management policy and actively manages its liquidity position. The Remaining Group generally finances its operations with internally generated resources and borrowings provided by banks. In order to achieve better cost control and minimize the cost of funds, the Group's treasury activities and cash and cash equivalents are generally deposited with certain financial institutions such as banks denominated mostly in Hong Kong dollars. The Remaining Group's net gearing ratio (measured by net debts as a percentage to its total asset value) was 39.9 %.

To finance its operations, the Remaining Group utilises cash flow generated from business operations and maintains multiple channels of funding sources including bank borrowings and bond issuances. During FY2021, the Company issued unsecured notes amounting to US$250.0 million with a coupon interest rate of 4.5% and a tenor of three years due September 2023. As of 31 March 2021, the outstanding principal of the medium-term notes issued by the Remaining Group was HK$4,905.4 million, which were denominated in Hong Kong dollar and United States dollar at fixed rates ranging from 3.15% to 5.0% per annum. As at 31 March 2021, the Remaining Group did not have a foreign exchange hedging policy. However, the management of the Remaining Group monitors foreign exchange exposure and will consider hedging significant foreign exchange exposure should the need arises. The management continuously monitored the foreign exchange exposure and would consider hedging other significant foreign currency risk should the need arose.

During FY2021, Emperor Entertainment Hotel Limited ("**Emperor E Hotel**"; Hong Kong stock code: 296), a subsidiary of the Remaining Group, repurchased 24,665,000 shares of its own shares at cash consideration of HK$27,821,000 and then cancelled the shares, resulting in a deemed increase in 1.40% equity interests in Emperor E Hotel by the Remaining Group. The difference of HK$40,627,000 between the consideration paid of HK$27,821,000 and the decrease in the non-controlling interests of HK$68,448,000 was recognised directly in other reserves.

Pledge of Assets

As at 31 March 2021, assets with carrying value of HK$43,404.8 million were pledged as security for banking facilities in the Remaining Group.

Business Review

During FY2021, the Remaining Group principally engaged in property investment, property development and hospitality, owning properties with a total area of approximately 5.9 million square feet in Greater China and overseas.

Rental Income

The Remaining 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 4,370,000 square feet. In recent years, the Remaining 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 so doing, the Remaining Group can diversify its rental income streams and minimise impacts due to market volatility.

Property Sales

The Remaining 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.

Hotel and Hotel Related Operations

Subsequent to FY2021, 1 hotel and 2 serviced apartments in Hong Kong – ***The Emperor Hotel***, ***The Unit Serviced Apartments*** and ***MORI MORI Serviced Apartments*** – were disposed of to Emperor E Hotel, at a consideration of HK$2,082.5 million. As a result, the entire hospitality business segment is directly owned by Emperor E Hotel, while the relevant recurrent income will continue to be consolidated to the Remaining Group.

By so doing, the Remaining Group can capitalise on its strengthened financial position to enhance its investment properties portfolio and expand its land bank for property development in the future.

Disposal

On 27 November 2020, Emperor Property Investment Limited ("**EPIL**"), a directly wholly-owned subsidiary of the Company entered into a sale and purchase agreement to dispose of the entire equity interests in Oriental Peak Limited and its subsidiaries ("**Oriental Peak Group**"), indirect wholly-owned subsidiaries of the Company engaged in the business of property investment, and all loan due by Oriental Peak Group to EPIL to a company indirectly controlled by a private discretionary trust which was set up by Dr. Yeung at a total consideration of approximately HK$889,536,000. The disposal was completed on 8 February 2021.

Outlook

Supported by the rollout of vaccination programmes in the second half of FY2021, the pandemic in certain countries started to moderate. It is believed that the macro economy will gradually recover from the economic slump, as various governments are striving to rebuild their economies by several means such as fiscal support and creating job opportunities, while central banks have been injecting liquidity into markets to maintain market stability. The proposed vaccination passports, border re-opening and travel bubbles are some other positive factors that will contribute to the recovery.

Closer to the end of FY2021, employees of most corporations in Hong Kong have resumed working from the office, restoring confidence in the office leasing market. At the same time, citizens' lives largely returned to normal – shopping activities resumed and queues at restaurants are again seen, providing a favourable operating environment to retailers and restaurant operators, in turn, to landlords.

Subsequent to FY2021, developers have been pushing ahead with sales launches, which are well received by home buyers and investors. Given the limited land supply, underlying demand for residential units, and a low interest rate environment, the Remaining Group remains cautiously optimistic about the local residential property market outlook in the long term. The Remaining Group has a solid pipeline in development properties for the coming few years, and will launch the project sales at opportune times. The Remaining Group will also continue to participate in commercial development opportunities, aiming to maintain a more balanced investment property portfolio.

Employees and Remuneration Policy

As at 31 March 2021, the Remaining Group's number of employees was 1,209. Total staff costs including Director's remuneration and the other staff costs for FY2021 were HK$488.8 million. Each employee's remuneration was determined in accordance with 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 incentives or rewards to the staff, the Company has adopted a share option scheme, particulars of which are set out in the section headed "**Share Options**" on pages 186 to 189 of annual report of the Company for FY2021.

Risk Management and Internal Control

Internal control is fundamental to the successful operation and day-to-day running of a business and it assists a company in achieving its business objectives. Internal control policies and procedures within the Remaining Group are with the primary objective of providing general guidance and recommendations on a basic framework of risk management and internal control systems ("**Control Systems**").

A review has been conducted on (i) the internal control measures and procedures covering all material controls, including financial, operational and compliance controls; and (ii) risk management functions in its principal subsidiaries of the Remaining Group for FY2021. A summary in relation to the financial controls and the risk management for FY2021 is a follow.

Goals and Objectives

The Board is responsible to ensure that the Remaining Group establishes and maintains appropriate and effective Control Systems. Such systems are designed to manage rather than eliminate risks of failure to achieve business objectives, and can only provide reasonable, but not absolute, assurance against material misstatement or loss. The key objectives of the Control Systems include:

- safeguarding assets
- ensuring completeness, accuracy and validity of financial records and reports
- promoting adherence to policies, procedures, regulations and laws
- promoting effectiveness and efficiency of operations

Internal Control – Financial Controls

(i) Policies, Control Systems and Procedures are in place to ensure proper accounting records are maintained which provide complete, accurate and timely accounting and management information;

(ii) Financial management report are provided to director and senior management which give a balanced and understandable assessment of various businesses performance and financial position in sufficient details;

(iii) Financial budget and forecasts are prepared and reviewed regularly to ensure any actions can be taken promptly to mitigate any changes in conditions and market accordingly;

(iv) Annual audit by external auditor is carried out to ensure that the consolidated financial statements and individual companies' financial statements are prepared in accordance with generally accepted accounting principles, the Remaining Group's accounting policies and the applicable laws and regulations; and

(v) 24 months cash flow rolling forecast is regularly reviewed to monitor the cash flows against budget plan.

Risk Management – Significant Risks and Strategies

Certain significant risks have been identified through the process of risk identification and assessment. Such significant risks of the Remaining Group and their respective key strategies/ control measures as set out below:

(i) Changes in social, economic and political environment:

Changes and volatility in general economic conditions caused by China-USA tensions, social unrest, global economic slowdown, increase/decrease in money supply and foreign exchange issue would have impact on HK property market. Any more adverse change in one of the above situations would have significant impact to the Remaining Group's business.

- Stay alert to changes in economic and market conditions in mainland China and Hong Kong or global economy and adjust business strategic plans to cope with these changes.

(ii) Changes in social, economic and political environment:

Any "Act of God", natural disaster or outbreak of contagious diseases such as COVID-19 pandemic or SARS, could adversely effect on the Remaining Group's business and operations.

- Ensure all safety measures as required by the Hong Kong SAR Government are fully implemented;
- Contingency Management Committee is established to take lead on all necessary precautions and closely monitor the situations and development;
- Implement business continuity plans which include "Work from Home", "Flexible Working Hours" and "Split-team Arrangements"; and
- Create a natural disaster recovery plan which includes recovery instructions, procedures and a quick reference guide for departments to use in order to respond and recover from the disasters.

(iii) Investment strategy:

Acquisitions of land, investment and development properties carry inherent risks related to significant amount of money, missing targets, poor project management, design, development and sales or wrong investment decision would have significant adverse impact on Remaining Group's overall business.

- Regularly review investment and business strategy against overall business environment;
- Investment decisions are subject to a robust risk and return evaluation by executives and supervision by the Finance and Investment Committee;
- Potential projects are subject to an extensive due diligence review by in-house specialists and external advisers. Offers are only made for projects with reasonable return or of strategic value;
- Ensure experienced managers are in place to manage projects; and
- Completed projects are subject to continual monitoring and internal audit, with regular performance reports to the management.

(iv) Rental income sustainability:

Loss of major tenants or rental reduction either due to changes in tenants' own strategy, market situation or competition among landlords would adversely impact the revenue of the Remaining Group.

- Closely monitor any adverse market conditions, work with tenants to mitigate the impact;
- Maintain a well-balanced and quality tenant mix;
- Maintain high property marketability by timely renovation;
- Invite targeted tenants or anchor tenants to our existing or new properties from time to time. Custom-made arrangements are offered where appropriate to cater to their specific needs;
- Propose short term lease restructure for quality tenants in order to help sustain their businesses; and
- Carry out pre-lease campaigns to replace the undesirable tenants.

(v) Business/Portfolio concentration:

A significant portion of our Remaining Group revenues is derived from Hong Kong. Unfavourable events in the city could disrupt our overall business, lower our revenues and impact the valuation of our assets.

- The Remaining Group has a diversified portfolio of investment properties across Hong Kong, Macau, Mainland cities and London, the United Kingdom. The Remaining Group will keep sourcing quality investment properties around the world; and

- The Remaining Group has expanded its investment property portfolio to offices sector in recent years. This enables the Remaining Group to mitigate the undesirable impact on retail sector.

(vi) Property development risks:

Supply of land is subject to the change of land policies in different markets. Acquisition of land in Hong Kong, the PRC and other overseas markets may be subject to various regulatory requirements and restrictions and competition from other developers. Future growth prospects of property development business are therefore affected by the availability and price levels of prime sites in Hong Kong, the PRC and other overseas markets. Failure to manage cost of construction, labour and materials could adversely affect the competitiveness of property development business.

- Participate actively in the land auctions;

- Regularly update the Remaining Group's long/medium/short term strategic plans on property development business;

- Implement well established policies in our tendering policy and system;

- Monitor project costs closely with strict adherent to budget;

- Extract advantage from economies of scale based on our portfolio size, if possible; and

- Monitor closely the labour cost and materials stock/price trends in the industry before awarding building contracts.

(vii) Cyber Security:

Loss of data and leakage of confidential information are the largest costs from cyber-crime that the Company is facing. The cost of recovering from cyber attacks, including reputational damage, where the trust in a company decreases and their brand loses value, is considerable.

- IT Security Committee established to review the Remaining Group's IT security policies and risks assessment;
- The Company's IT infrastructure are regularly scanned and patched;
- Risky external IP addresses are blocked;
- All servers and user computers are equipped with antivirus or endpoint protection;
- Emails are filtered for spam and malware;
- Password control and user access to the systems and network elements are regularly updated and reviewed; and
- System backup facilities provide addition layers of protections.

FOR THE YEAR ENDED 31 MARCH 2022

Market review

During the first half of the financial year ended 31 March 2022 ("**FY2022**"), the pandemic situation was stabilised, and the public had generally become accustomed to the pandemic. The ongoing travel restrictions have prompted consumers to spend locally instead of outside Hong Kong, supporting the local economic recovery. Nevertheless, the emergence of Omicron in the last quarter of FY2022 led to a disruption of retail businesses due to a more stringent social distancing measures. Furthermore, the ongoing geopolitical tension between China and the United States, the Russia-Ukraine conflict, credit issues affecting major Chinese property developers, and an interest rate hike by the Federal Reserve have increased uncertainties regarding economic development.

Regarding the office leasing market, demand decreased as a result of work from home arrangements, fewer arrivals of expatriates, downsizing of corporations, and relocation of offices to other Asian countries. The market was under pressure, in tandem with the increased supply and hence the increased vacancy rate. Meanwhile, the retail market has been unstable given the social distancing measures have been changing throughout FY2022, depending on the severity of the pandemic, disrupting store operations overall, hence adversely affecting the retail leasing market.

The residential property development market performed steadily during the first half of FY2022. Demand from local buyers remained resilient, and newly launched projects continued to attract interest. However, transaction activities slowed down in the second half of FY2022 due to the volatility in the stock markets and negative economic factors in mainland China, which have led to potential buyers adopting a wait-and-see attitude. In addition, the emergence of Omicron led to a brief hiatus of property sales by developers in the last quarter of FY2022, exacerbating the situation.

Financial review

The Remaining Group's total revenue increased by 81.4% to HK$2,259.7 million during FY2022. Despite the sluggish office leasing demand amid the ongoing Covid-19 pandemic, the Remaining Group managed to maintain the rental income broadly stable at HK$834.8 million, representing 36.9% of total revenue.

Revenue from the sales of property development surged 1,147.0% to HK$1,025.2 million, which was contributed by the sales income from ***Central 8*** as well as ***Seaside Castle***, accounting for 45.4% of the Remaining Group's total revenue.

The operating environments of the tourism and hospitality sectors remained challenging due to the fluctuating pandemic situation during FY2022, nevertheless revenue from the hospitality segment increased by 18.9% to HK$399.8 million which accounted for 17.7% of the Remaining Group's total revenue.

Liquidity and Financial Resources

As at 31 March 2022, the Remaining Group's net asset value attributable to owners of the Company and the respective net asset value per share amounted to HK$25,311.8 million and HK$6.88 per share, respectively.

The Remaining Group had cash, bank balances and bank deposits amounted to HK$1,567.1 million as at 31 March 2022. The total external borrowings (excluding payables) was approximately HK$22,711.0 million comprising of an approximately HK$5,583.8 million due within one year, and HK$17,127.2 million due after one year. Among the Remaining Group's external borrowings, approximately HK$19,527.1 million were bank borrowings. The bank borrowings carried interest ranging from from HIBOR + 0.84% to HIBOR + 2.00% per annum and at LIBOR + 1.53% per annum, with the effective interest rate at 1.81% per annum. Approximately HK$5,583.8 million was due within one year. The Remaining Group's external borrowings were denominated in HK$ and GBP. The Company has always been pursuing a prudent cash and financial management policy and actively manages its liquidity position. The Remaining Group generally finances its operations with internally generated resources and borrowings provided by banks. In order to achieve better cost control and minimize the cost of funds, the Group's treasury activities and cash and cash equivalents are generally deposited with certain financial institutions such as banks denominated mostly in Hong Kong dollars. The Remaining Group's net gearing ratio (measured by net debts as a percentage to its total asset value) was 40.3%.

To finance its operations, the Remaining 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 2022, the outstanding principal of the medium-term notes issued by the Remaining Group was HK$1,442.4 million, which were denominated in Hong Kong dollar and United States dollar at fixed rates ranging from 3.2% to 4.9% per annum. As at 31 March 2022, the Remaining Group did not have a foreign exchange hedging policy. However, the management of the Remaining Group monitors foreign exchange exposure and will consider hedging significant foreign exchange exposure should the need arises. The management continuously monitored the foreign exchange exposure and would consider hedging other significant foreign currency risk should the need arose.

During FY2022, the Remaining Group entered into a 5-year unsecured club loan facility agreement amounting to HK$1,950.0 million with nine local and international banks. The relevant fund will be used for general working capital purposes and refinancing its existing debts. This club loan will provide the Remaining Group with extra liquidity and lower overall funding costs, ensuring financing flexibility and sustainability for future business development.

During FY2022, Emperor E Hotel repurchased 12,270,000 shares of its own shares at cash consideration of HK$14,611,000 and then cancelled the shares, resulting in a deemed increase in 0.73% equity interests in Emperor E Hotel by the Remaining Group. Besides, Emperor E Hotel acquired 7,500 shares of its non-wholly owned subsidiary at cash consideration of HK$8,000 during the year. The difference of HK$18,959,000 between the consideration paid of HK$14,619,000 and the decrease in the non-controlling interests of HK$33,578,000 was recognised directly in other reserves.

Pledge of Assets

As at 31 March 2022, assets with carrying value of HK$38,248.3 million were pledged as security for banking facilities in the Remaining Group.

Business Review

Based in Hong Kong, the Remaining Group principally engages in property investment, property development and hospitality businesses. The Remaining Group's property portfolio covers a total area of over 5,570,000 square feet in Greater China and the United Kingdom.

Rental Income

The Remaining 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 over 2,870,000 square feet. In recent years, the Remaining 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 Remaining Group can diversify its rental income streams and minimise impacts due to market volatility.

Property Sales

The Remaining 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.

Hotel and Hotel Related Operations

Emperor E Hotel, originally owned 2 hotels in Macau, namely ***Grand Emperor Hotel (“GEH”)*** and ***Inn Hotel Macau***. During FY2022, 1 hotel and 2 serviced apartments in Hong Kong – ***The Emperor Hotel, The Unit Serviced Apartments*** and ***MORI MORI Serviced Apartments*** – were acquired by Emperor E Hotel (via disposal of the relevant indirect wholly-owned subsidiaries of the Company) at a total consideration of HK$2,048.8 million. As a result, the entire hospitality business segment is now unified under Emperor E Hotel, covering 3 hotels and 2 serviced apartments, and the recurrent income continues being consolidated to the Remaining Group. The details of this disposal were set out in the joint announcement of the Company and Emperor E Hotel dated 16 March 2021 and the Company’s circular dated 30 April 2021.

Disposal

On 21 April 2021, EPIL entered into a sale and purchase agreement to dispose of the entire equity interests in 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.

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 consideration of approximately HK$580,486,000. The disposal was completed on 20 December 2021.

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 subsidiaries (“**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. Yeung for a total consideration of approximately HK$429,205,000. The disposal was completed on 7 March 2022.

On 30 December 2021, Emperor Property Development Limited, a wholly-owned subsidiary of the Company, entered into a sale and purchase agreement to dispose of the entire interests in Earn Benefit Limited, an indirectly wholly-owned subsidiary of the Company, which holds a property under development for sale located at Nos. 67-77 Nam On Street, Shau Kei Wan, Hong Kong, to an independent third party at a total consideration of approximately HK$688,000,000. The disposal was completed on 29 April 2022.

Outlook

Subsequent to FY2022, the pandemic situation has eased and the public is on course to resuming normal activities, after being hit hard by the fifth wave of infections. In addition, non-Hong Kong residents can finally enter the city, after two years of stringent border controls, and the quarantine period for arriving passengers has been shortened, creating favourable conditions for the revival of consumption and business sentiments. On the other hand, interest rate hike by the Federal Reserve in June 2022, uncertainties in China's economic development, and timings of border re-openings within Greater China may hinder economic recovery in the near term.

Since the Covid-19 pandemic began, the office leasing market environment has changed – work from home arrangements, hot desk policies, preference for "**green**" buildings, and growing popularity of emerging business areas, have diverted some demand for office space from the central business district into other various districts. Regarding retail spaces, increasing demand has been observed in residential areas, where rental levels have been more resilient amid the pandemic. Over the past few years, the Remaining Group has been diversifying both its office and retail property investment portfolios into various districts in Hong Kong, thus helping to maintain a steady rental income. The Remaining Group will continue monitoring the market, and adjust its property portfolio as appropriate, in order to maintain a balanced investment property portfolio.

Soon after the recent relaxation of social distancing measures, developers have been accelerating the launch of new projects, which are well received by the market. More project launches are expected. The Remaining Group has already established a solid development properties pipeline, including ***No.15 Shouson***, which was launched to the market in late-May 2022. Given the limited supply of development properties together with huge demand for housing, the Remaining Group remains cautiously optimistic about the local residential property market outlook in the long term.

Employees and Remuneration Policy

The total cost incurred for staff, including Directors' emoluments, was HK$513.5 million during FY2022. The number of staff was 1,208 as at 31 March 2022. 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. The Company has adopted a share option scheme to provide incentives or rewards to the staff, particulars of which are set out in the section headed "**Share Options**" on pages 187 to 190 of annual report of the Company for FY2022.

Risk Management and Internal Control

Internal control is fundamental to the successful operation and day-to-day running of a business and it assists a company in achieving its business objectives. Internal control policies and procedures within the Remaining Group are with the primary objective of providing general guidance and recommendations on a basic framework of the Control Systems.

A review has been conducted on (i) the internal control measures and procedures covering all material controls, including financial, operational and compliance controls; and (ii) risk management functions in its principal subsidiaries of the Remaining Group for FY2022. A summary in relation to the financial controls and the risk management for FY 2022 is a follow.

Goals and Objectives

The Board is responsible to ensure that the Remaining Group establishes and maintains appropriate and effective Control Systems. Such systems are designed to manage rather than eliminate risks of failure to achieve business objectives, and can only provide reasonable, but not absolute, assurance against material misstatement or loss. The key objectives of the Systems include:

- safeguarding assets
- ensuring completeness, accuracy and validity of financial records and reports
- promoting adherence to policies, procedures, regulations and laws
- promoting effectiveness and efficiency of operations

Internal Control – Financial Controls

(i) Policies, Control Systems and Procedures are in place to ensure proper accounting records are maintained which provide complete, accurate and timely accounting and management information;

(ii) Financial management report are provided to director and senior management which give a balanced and understandable assessment of various businesses performance and financial position in sufficient details;

(iii) Annual financial budget and forecasts are prepared and reviewed regularly to ensure any actions can be taken promptly to mitigate any changes in conditions and market accordingly;

(iv) Annual audit by external auditor is carried out to ensure that the consolidated financial statements and individual companies' financial statements are prepared in accordance with generally accepted accounting principles, the Remaining Group's accounting policies and the applicable laws and regulations; and

(v) 24 months cash flow rolling forecast is regularly reviewed to monitor the cash flows against budget plan.

Risk Management – Significant Risks and Strategies

Certain significant risks have been identified through the process of risk identification and assessment. Such significant risks of the Remaining Group and their respective key strategies/ control measures as set out below:

(i) Changes in social, economic and political environment:

Changes and volatility in general economic conditions caused by China-USA tensions, global economic slowdown, increase/decrease in money supply and foreign exchange issue would have impact on HK property market. Any more adverse change in one of the above situations would have significant impact to the Remaining Group's business.

- Stay alert to changes in economic and market conditions in mainland China and Hong Kong or global economy and adjust business strategic plans to cope with these changes.

(ii) Changes in social, economic and political environment:

Any ''Act of God'', natural disaster or outbreak of contagious diseases such as COVID-19 pandemic or SARS, could adversely effect on the Remaining Group's business and operations.

- Ensure all safety measures as required by the Hong Kong SAR Government are fully implemented;

- Contingency Management Committee is established to take lead on all necessary precautions and closely monitor the situations and development;

- Implement business continuity plans which include ''Work from Home'', ''Flexible Working Hours'' and ''Split-team Arrangements''; and

- Create a natural disaster recovery plan which includes recovery instructions, procedures and a quick reference guide for departments to use in order to respond and recover from the disasters.

(iii) Investment strategy:

Acquisitions of land, investment and development properties carry inherent risks related to significant amount of money, missing targets, poor project management, design, development and sales or wrong investment decision would have significant adverse impact on Remaining Group's overall business.

- Regularly review investment and business strategy against overall business environment;
- Investment decisions are subject to a robust risk and return evaluation by executives and supervision by the Finance and Investment Committee;
- Potential projects are subject to an extensive due diligence review by in-house specialists and external advisers. Offers are only made for projects with reasonable return or of strategic value;
- Ensure experienced managers are in place to manage projects; and
- Completed projects are subject to continual monitoring and internal audit, with regular performance reports to the management.

(iv) Rental income sustainability:

Loss of major tenants or rental reduction either due to changes in tenants' own strategy, market situation or competition among landlords would adversely impact the revenue of the Remaining Group.

- Closely monitor any adverse market conditions, work with tenants to mitigate the impact;
- Maintain a well-balanced and quality tenant mix;
- Maintain high property marketability by timely renovation;
- Invite targeted tenants or anchor tenants to our existing or new properties from time to time. Custom-made arrangements are offered where appropriate to cater to their specific needs;
- Propose short term lease restructure for quality tenants in order to help sustain their businesses; and
- Carry out pre-lease campaigns to replace the undesirable tenants.

(v) Business/Portfolio concentration:

A significant portion of our Remaining Group revenues is derived from Hong Kong. Unfavourable events in the city could disrupt our overall business, lower our revenues and impact the valuation of our assets.

- The Remaining Group has a diversified portfolio of investment properties across Hong Kong, Macau, Mainland cities and London, the United Kingdom. The Remaining Group will keep sourcing quality investment properties around the world; and

- The Remaining Group has expanded its investment property portfolio to offices sector in recent years. This enables the Remaining Group to mitigate the undesirable impact on retail sector.

(vi) Property development risks:

Supply of land is subject to the change of land policies in different markets. Acquisition of land in Hong Kong, the PRC and other overseas markets may be subject to various regulatory requirements and restrictions and competition from other developers. Future growth prospects of property development business are therefore affected by the availability and price levels of prime sites in Hong Kong, the PRC and other overseas markets. Failure to manage cost of construction, labour and materials could adversely affect the competitiveness of property development business.

- Participate actively in the land auctions;

- Regularly update the Remaining Group's long/medium/short term strategic plans on property development business;

- Implement well established policies in our tendering policy and system;

- Monitor project costs closely with strict adherent to budget;

- Extract advantage from economies of scale based on our portfolio size, if possible;

- Monitor closely the labour cost and materials stock/price trends in the industry before awarding building contracts; and

- Investment through IV structure to reduce the risk.

(vii) Cyber Security:

Loss of data and leakage of confidential information are the largest costs from cyber-crime that the Company is facing. The cost of recovering from cyber attacks, including reputational damage, where the trust in a company decreases and their brand loses value, is considerable.

- IT Security Committee established to review the Remaining Group's IT security policies and risks assessment;
- The Company's IT infrastructure are regularly scanned and patched;
- Risky external IP addresses are blocked;
- All servers and user computers are equipped with antivirus or endpoint protection;
- Emails are filtered for spam and malware;
- Password control and user access to the systems and network elements are regularly updated and reviewed; and
- System backup facilities provide addition layers of protections.

FOR THE YEAR ENDED 31 MARCH 2023

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 financial year ended 31 March 2023 ("**FY2023**"), 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 FY2023, 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

Financial review

As a result of a tough business operating environment, the Remaining Group's total revenue was HK$1,142.1 million during FY2023. Although the abundant office space supply has resulted in a competitive landscape, the Remaining Group's rental income remained broadly stable at HK$802.2 million during FY2023, representing 70.2% of the Remaining Group's total revenue. Revenue from the sales of property development was HK$79.2 million, accounting for 6.9% of the Remaining Group's total revenue. Revenue from the hospitality segment decreased to HK$260.7 million, which accounted for 22.9% of the Remaining Group's total revenue.

Capital Structure, Liquidity and Financial Resources

As at 31 March 2023, the Remaining Group's net asset value attributable to owners of the Company and the respective net asset value per share amounted to HK$22,697.4 million and HK$6.17 per share, respectively.

The estimated legal and professional fee attributable to the Disposal was HK$1.5 million. The consideration payable by the Purchaser to the Remaining Group in respect of the Disposal was HK$1,944.1 million. The Remaining Group would repay the bank borrowings of HK$811.3 million for the release and discharge of the existing securities on the property held by the Target Group. As a result of the completion of the Disposal, the Remaining Group had cash, bank balances and bank deposits amounted to HK$3,499.2 million as at 31 March 2023. The total external borrowings (excluding payables) was approximately HK$21,632.7 million comprising an approximately HK$9,303.8 million due within one year, and HK$12,328.8 million due after one year. Among the Remaining Group's external borrowings, approximately HK$18,941.7 million were bank borrowings. The bank borrowings carried interest ranging from from HIBOR + 0.84% to HIBOR + 2.00% per annum and at Sterling Overnight Index Average + 1.53% per annum, with the effective interest rate at 4.38% per annum. Approximately HK$9,303.8 million was due within one year. The Remaining Group's external borrowings were denominated in HK$ and GBP. The Company has always been pursuing a prudent cash and financial management policy and actively manages its liquidity position. The Remaining Group generally finances its operations with internally generated resources and borrowings provided by banks. In order to achieve better cost control and minimize the cost of funds, the Group's treasury activities and cash and cash equivalents are generally deposited with certain financial institutions such as banks denominated mostly in Hong Kong dollars. The Remaining Group's net gearing ratio (measured by net debts as a percentage to its total asset value) was 36.1%.

To finance its operations, the Remaining 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 Remaining Group was HK$1,247.3 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 Remaining Group has sufficient financial resources to redeem the medium-term notes.

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

During FY2023, Emperor E Hotel repurchased 8,815,000 shares of its own shares at cash consideration of HK$4,411,000 and then cancelled the shares, resulting in a deemed increase in 0.52% equity interests in Emperor E Hotel by the Remaining Group. The difference of HK$16,549,000 between the consideration paid of HK$4,411,000 and the decrease in the non-controlling interests of HK$20,960,000 was recognised directly in other reserves.

Pledge of Assets

As at 31 March 2023, assets with carrying value of HK$35,056.8 million were pledged as security for banking facilities.

Business Review

Based in Hong Kong, the Remaining Group principally engages in property investment, property development and hospitality businesses. The Remaining Group's property portfolio covers a total area of approximately 5,170,000 square feet in Greater China and the United Kingdom.

Rental Income

The Remaining 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 2,470,000 square feet. In the past decade, the Remaining 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 Remaining Group can diversify its rental income streams and minimise impacts due to market volatility.

Property Sales

The Remaining 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.

Hotel and Hotel Related Operations

As at 31 March 2023, Emperor E Hotel, originally 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 Hill*** (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 FY2023, the Remaining 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 Remaining Group. The net proceeds from this disposal will improve the liquidity of the Remaining 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 Remaining Group.

Following the Macau Government's announcement of the awarding of 10-year gaming concessions to six casino operators including SJM, the Remaining 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 Remaining Group.

Acquisition and disposal

On 16 September 2022, Optimistic Horizon Limited, an indirect wholly-owned subsidiary of the Company, entered into a sale and purchase agreement to acquire an additional 10% of equity interest in Superb Land Limited ("**Superb Land**"). Superb Land holds 100% interest in Talent Charm Corporation Limited ("**Talent Charm**"). After that the Group's shareholding in this project increase from 40% to 50%, Talent Charm holds a property located in No.15 Shouson Hill Road West, Hong Kong Island.

On 6 January 2023, EPIL entered into a sale and purchase agreement to dispose of the entire equity interest 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. Yeung at a total adjusted consideration of approximately HK$1,141,221,000. The disposal was completed on 16 March 2023.

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 Remaining Group's retail leasing – especially in tourist areas – is poised to benefit.

Property developers have been proactively pushing ahead with sales launches of first-hand units since the beginning of 2023, and these have received positive feedback from the market. With the Remaining Group's solid development properties pipeline, it will strive to seize the opportunities given the huge demand for yet limited supply of housing. The Remaining 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.

Employees and Remuneration Policy

The total cost incurred for staff, including Directors' emoluments, was HK$434.4 million during the FY2023. The number of staff decreased to 850 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 are set out in the section headed "Share Options" on pages 190 to 193 of annual report of the Company for FY2023.

Risk Management and Internal Control

Internal control is fundamental to the successful operation and day-to-day running of a business and it assists a company in achieving its business objectives. Internal control policies and procedures within the Remaining Group are with the primary objective of providing general guidance and recommendations on a basic framework of the Control Systems.

A review has been conducted on (i) the internal control measures and procedures covering all material controls, including financial, operational and compliance controls; and (ii) risk management functions in its principal subsidiaries of the Remaining Group for FY2023. A summary in relation to the financial controls and the risk management for FY 2023 is a follow.

Goals and Objectives

The Board is responsible to ensure that the Remaining Group establishes and maintains appropriate and effective Control Systems. Such systems are designed to manage rather than eliminate risks of failure to achieve business objectives, and can only provide reasonable, but not absolute, assurance against material misstatement or loss. The key objectives of the Control Systems include:

- safeguarding assets
- ensuring completeness, accuracy and validity of financial records and reports
- promoting adherence to policies, procedures, regulations and laws
- promoting effectiveness and efficiency of operations

Internal Control – Financial Controls

(i) Policies, Control Systems and Procedures are in place to ensure proper accounting records are maintained which provide complete, accurate and timely accounting and management information;

(ii) Financial management report are provided to director and senior management which give a balanced and understandable assessment of various businesses performance and financial position in sufficient details;

(iii) Annual financial budget and forecasts are prepared and reviewed regularly to ensure any actions can be taken promptly to mitigate any changes in conditions and market accordingly;

(iv) Annual audit by external auditor is carried out to ensure that the consolidated financial statements and individual companies' financial statements are prepared in accordance with generally accepted accounting principles, the Remaining Group's accounting policies and the applicable laws and regulations; and

(v) 24 months cash flow rolling forecast is regularly reviewed to monitor the cash flows against budget plan.

Risk Management – Significant Risks and Strategies

Certain significant risks have been identified through the process of risk identification and assessment. Such significant risks of the Remaining Group and their respective key strategies/ control measures as set out below:

(i) Changes in social, economic and political environment:

Changes and volatility in general economic conditions caused by China-USA tensions, global economic slowdown, increase/decrease in money supply and foreign exchange issue would have impact on HK property market. Any more adverse change in one of the above situations would have significant impact to the Remaining Group's business.

- Stay alert to changes in economic and market conditions in mainland China and Hong Kong or global economy and adjust business strategic plans to cope with these changes.

(ii) Changes in social, economic and political environment:

Any "Act of God", natural disaster or outbreak of contagious diseases such as COVID-19 pandemic or SARS, could adversely effect on the Remaining Group's business and operations.

- Ensure all safety measures as required by the Hong Kong SAR Government are fully implemented;

- Contingency Management Committee is established to take lead on all necessary precautions and closely monitor the situations and development;

- Implement business continuity plans which include "Work from Home", "Flexible Working Hours" and "Split-team Arrangements"; and
- Create a natural disaster recovery plan which includes recovery instructions, procedures and a quick reference guide for departments to use in order to respond and recover from the disasters.

(iii) Investment strategy:

Acquisitions of land, investment and development properties carry inherent risks related to significant amount of money, missing targets, poor project management, design, development and sales or wrong investment decision would have significant adverse impact on Remaining Group's overall business.

- Regularly review investment and business strategy against overall business environment;
- Investment decisions are subject to a robust risk and return evaluation by executives and supervision by the Finance and Investment Committee;
- Potential projects are subject to an extensive due diligence review by in-house specialists and external advisers. Offers are only made for projects with reasonable return or of strategic value;
- Ensure experienced managers are in place to manage projects; and
- Completed projects are subject to continual monitoring and internal audit, with regular performance reports to the management.

(iv) Rental income sustainability:

Loss of major tenants or rental reduction either due to changes in tenants' own strategy, market situation or competition among landlords would adversely impact the revenue of the Remaining Group.

- Closely monitor any adverse market conditions, work with tenants to mitigate the impact;
- Maintain a well-balanced and quality tenant mix;
- Maintain high property marketability by timely renovation;
- Invite targeted tenants or anchor tenants to our existing or new properties from time to time. Custom-made arrangements are offered where appropriate to cater to their specific needs;

- Propose short term lease restructure for quality tenants in order to help sustain their businesses; and

- Carry out pre-lease campaigns to replace the undesirable tenants.

(v) Business/Portfolio concentration:

A significant portion of our Remaining Group revenues is derived from Hong Kong. Unfavourable events in the city could disrupt our overall business, lower our revenues and impact the valuation of our assets.

- The Remaining Group has a diversified portfolio of investment properties across Hong Kong, Macau, Mainland cities and London, the United Kingdom. The Remaining Group will keep sourcing quality investment properties around the world; and

- The Remaining Group has expanded its investment property portfolio to offices sector in recent years. This enables the Remaining Group to mitigate the undesirable impact on retail sector.

(vi) Property development risks:

Supply of land is subject to the change of land policies in different markets. Acquisition of land in Hong Kong, the PRC and other overseas markets may be subject to various regulatory requirements and restrictions and competition from other developers. Future growth prospects of property development business are therefore affected by the availability and price levels of prime sites in Hong Kong, the PRC and other overseas markets. Failure to manage cost of construction, labour and materials could adversely affect the competitiveness of property development business.

- Participate actively in the land auctions;

- Regularly update the Remaining Group's long/medium/short term strategic plans on property development business;

- Implement well established policies in our tendering policy and system;

- Monitor project costs closely with strict adherent to budget;

- Extract advantage from economies of scale based on our portfolio size, if possible;

- Monitor closely the labour cost and materials stock/price trends in the industry before awarding building contracts; and

- Investment through IV structure to reduce the risk.

(vii) Cyber Security:

Loss of data and leakage of confidential information are the largest costs from cyber-crime that the Company is facing. The cost of recovering from cyber attacks, including reputational damage, where the trust in a company decreases and their brand loses value, is considerable.

- IT Security Committee established to review the Remaining Group's IT security policies and risks assessment;
- The Company's IT infrastructure are regularly scanned and patched;
- Risky external IP addresses are blocked;
- All servers and user computers are equipped with antivirus or endpoint protection;
- Emails are filtered for spam and malware;
- Password control and user access to the systems and network elements are regularly updated and reviewed; and
- System backup facilities provide addition layers of protections.

(viii) Cost and availability of finance:

Failure to ensure the availability of funds to meet our capital expenditure requirements to develop, maintain and renovate our properties could limit our ability to remain competitive.

- Stringent cash and treasury management and allocation of funds and resources;
- Closely monitor financial market and benchmark borrowing costs;
- Maintain diversified sources of financing; and
- Maintain good relation with bankers.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS OF DIRECTORS AND CHIEF EXECUTIVES

As at the Latest Practicable Date, the following Directors and chief executives of the Company were interested, or were deemed or taken to be interested in the following long and short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO; or (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) pursuant to the Model Code for Securities Transactions by Directors adopted by the Company ("**Model Code**") to be notified to the Company and the Stock Exchange:

(a) Long positions interests in the Company

Shares

Name of Directors	Capacity/Nature of interests	Number of issued Shares interested	% of issued voting Shares
Ms. Luk Siu Man, Semon ("**Ms. Semon Luk**")	Interest of spouse	2,747,611,223 *(Note)*	74.71
Mr. Yeung Ching Loong, Alexander ("**Mr. Alex Yeung**")	Eligible beneficiary of a private discretionary trust	2,747,611,223 *(Note)*	74.71
Ms. Fan Man Seung, Vanessa ("**Ms. Vanessa Fan**")	Beneficial owner	10,500,000	0.29

Note: These Shares were held by Emperor International Group Holdings Limited ("**Emperor International Group Holdings**"), a wholly-owned subsidiary of Albert Yeung Holdings Limited ("**AY Holdings**"). AY Holdings was held by First Trust Services AG ("**First Trust Services**") in trust for a private discretionary trust set up by Dr. Yeung. By virtue of being the spouse of Dr. Yeung (founder of the private discretionary trust), Ms. Semon Luk had deemed interests in the same Shares whereas Mr. Alex Yeung also had deemed interests in the same Shares by being one of the eligible beneficiaries of such private discretionary trust.

(b) Long position interests in ordinary shares of associated corporations of the Company

Name of Directors	Name of associated corporations	Capacity/Nature of interests	Number of issued shares interested	% of issued voting shares
Ms. Semon Luk	Emperor Entertainment Hotel Limited (“**Emperor E Hotel**”)	Interest of spouse	851,353,645	71.63
	Emperor Watch & Jewellery Limited (“**Emperor W&J**”)	- ditto -	4,298,630,000	63.41
	Emperor Culture Group Limited (“**Emperor Culture**”)	- ditto -	2,371,313,094	73.80
	Ulferts International Limited (“**Ulferts**”)	- ditto -	600,000,000	75.00
	New Media Lab Limited (“**New Media Lab**”)	- ditto -	315,000,000	52.50
Mr. Alex Yeung	Emperor E Hotel	Eligible beneficiary of a private discretionary trust	851,353,645	71.63
	Emperor W&J	- ditto -	4,298,630,000	63.41
	Emperor Culture	- ditto -	2,371,313,094	73.80
	Ulferts	- ditto -	600,000,000	75.00
	New Media Lab	- ditto -	315,000,000	52.50

Note: These shares were ultimately owned by the respective private discretionary trusts which were also founded by Dr. Yeung. By virtue of being the spouse of Dr. Yeung, Ms. Semon Luk had deemed interests in the same shares whereas Mr. Alex Yeung also had deemed interests in the same shares by virtue of being one of the eligible beneficiaries of such private discretionary trusts.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors nor chief executives of the Company had any interests or short positions in any shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO; or (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) pursuant to the Model Code to be notified to the Company and the Stock Exchange.

As at the Latest Practicable Date, none of the Directors was a director or an employee of a company which had an interest or short position in the Shares and underlying shares of the Company would fall to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO.

3. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contracts with the Company or any member of the Group which is not determinable within one year without payment of compensation other than statutory compensation.

4. COMPETING INTERESTS

As at the Latest Practicable Date, the interests of Directors or their respective close associates in the businesses which are considered to compete or are likely to compete, either directly or indirectly, with the business of the Group as required to be disclosed pursuant to the Listing Rules were as follows:

(i) Ms. Semon Luk, being the spouse of Dr. Yeung (founder of a private discretionary trust), is deemed to be interested in various companies under a discretionary trust which are also engaging in property investment and development. As Ms. Semon Luk is not involved in the Company's day-to-day operations and management, the Group is capable on its business independently of and at arm's length from such disclosed deemed competing business;

(ii) Mr. Alex Yeung, being one of the eligible beneficiaries of the aforesaid trust, is deemed to be interested in various companies under such trust which are also engaged in property investment and development. He also has shareholding and directorship interests in private companies engaged in property investment. Given that (a) he cannot control the boards of the Company and the companies under such trust; and (b) size and dominance of the property investment portfolio of the Group, the Directors considered the Group's interests are adequately safeguarded;

(iii) Mr. Wong Chi Fai and his associates and Ms. Vanessa Fan have shareholding and directorship interests in private companies engaged in property investment business. In light of the size and dominance of the property investment portfolio of the Group, such disclosed deemed competing business is considered immaterial; and

(iv) Mr. Cheung Ping Keung has directorship role in several companies under the aforesaid trust which are also engaged in property investment and development. Given that he cannot control the boards of the Company and those several companies, the Directors considered the Group's interests are adequately safeguarded.

Saved as disclosed above, so far as is known to the Directors or chief executives of the Company, as at the Latest Practicable Date, none of the Directors or their respective close associates was interested in any business which competes or is likely to compete, either directly or indirectly, with business of the Group.

5. DIRECTORS' INTERESTS IN CONTRACTS OR ARRANGEMENTS

As at the Latest Practicable Date, save for the Sale and Purchase Agreement and the agreements listed below, there was no other contract or arrangement subsisting in which any Director (excluding Ms. Semon Luk and Mr. Alex Yeung who have deemed interests) was materially interested and which was significant in relation to the business of the Group:

(a) The master leasing agreements dated 3 December 2020 and 23 March 2023 entered into between the Company and Emperor W&J in relation to the tenancy transactions thereunder;

(b) The master leasing agreements dated 3 December 2020 and 23 March 2023 entered into between the Company and Emperor Capital Group Limited in relation to the tenancy transactions thereunder;

(c) The master leasing agreements dated 3 December 2020 and 23 March 2023 entered into between the Company and Emperor Culture in relation to the tenancy transactions thereunder;

(d) The master leasing agreements dated 3 December 2020 and 23 March 2023 entered into between the Company and Ulferts in relation to the tenancy transactions thereunder;

(e) The master leasing agreement dated 3 December 2020 entered into between the Company and (1) New Media Group Investment Limited (dissolved); (2) Albert Yeung Entertainment Holdings Limited; (3) Albert Yeung Financial Holdings Limited; (4) Albert Yeung Investments Holdings Limited; and (5) Albert Yeung Management Company Limited in relation to the tenancy transactions thereunder;

(f) The master leasing agreements dated 3 December 2020 and 23 March 2023 entered into between Emperor E Hotel and Emperor W&J in relation to the tenancy transactions thereunder;

(g) The master agreement dated 3 March 2023 entered into between the Company and Ulferts in relation to the purchase of furniture products and obtaining of furniture procurement consultancy services thereunder; and

(h) The master leasing agreement dated 23 March 2023 entered into between the Company and AY Holdings in relation to the tenancy transactions thereunder.

6. DIRECTORS' INTERESTS IN ASSETS

As at the Latest Practicable Date, save for the Disposal, none of the Directors had any direct or indirect interests in any assets which have been, since 31 March 2023 (being the date to which the latest published audited financial statements of the Group were made up), acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

7. LITIGATION

As at the Latest Practicable Date, none of the members of the Group was engaged in any litigation or claims of material importance and no litigation or claims of material importance were pending or threatened against any member of the Group.

8. MATERIAL CONTRACTS

Save for the deed of guarantee on 27 October 2022 in relation to the provision of additional corporate guarantee in favour of The Hongkong and Shanghai Banking Corporation Limited for an additional 10% of obligations and liabilities of Talent Charm Corporation Limited under the term loan facilities amounting to approximately HK$2,330.0 million, during the two years immediately preceding the date of this circular up to and including the Latest Practicable Date, no contract (not being contracts entered into in the ordinary course of business of the Group) has been entered into by the Group and is or may be material.

9. EXPERT AND CONSENT

The following are the qualifications of the experts who have given opinions or advice which are contained in this circular:

Name	Qualification
Pelican	A corporation licensed to carry out Type 6 (advising on corporate finance) regulated activities under the SFO
Vincorn Consulting and Appraisal Limited	Independent qualified valuer
Deloitte Touche Tohmatsu ("**Deloitte**")	Certified Public Accountants, Registered Public Interest Entity Auditor

As at the Latest Practicable Date, the above experts have given and have not withdrawn their written consents to the issue of this circular with the inclusion herein of their letter and report (as the case may be) and references to their names, in the form and context in which they respectively appear. As at the Latest Practicable Date, each of above experts:

(a) did not have any shareholding in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for any shares, convertible securities, warrants, options or derivatives which carry voting rights in any member of the Group; or

(b) did not have any interest, either directly or indirectly, in any assets which have been, since the date to which the latest published audited financial statements of the Company were made up (i.e. 31 March 2023), acquired or disposed of by or leased to or are proposed to be acquired or disposed of by or leased to any member of the Group.

10. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the website of the Stock Exchange (https://www.hkexnews.hk) and the Company (https://www.EmperorInt.com) in accordance with the Listing Rules from the date of the circular and up to and including the date of the AGM:

(a) the Sale and Purchase Agreement;

(b) the written consents referred to in the paragraph headed "Expert and Consent" in this Appendix;

(c) the letter from Pelican, the Independent Financial Adviser, as set out from pages 17 to 33 in this circular;

(d) the property valuation report as set out in Appendix I to this circular;

(e) the letter from the Independent Board Committee as set out from pages 15 to 16 of this circular;

(f) the financial information of the Group prepared by Deloitte as set out in Appendix II (pages II-1 to II-16) to this circular; and

(g) the report on the unaudited pro forma financial information of the Remaining Group illustrating the effect of the Disposal, the text of which is set out in Appendix III to this circular.

11. MISCELLANEOUS

(a) The company secretary of the Company is Ms. Fung Pui Ling, who is a fellow member of both The Chartered Governance Institute in the United Kingdom and The Hong Kong Chartered Governance Institute.

(b) The registered office of the Company is at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda.

(c) The head office and principal place of business in Hong Kong of the Company is 28th Floor, Emperor Group Centre, 288 Hennessy Road, Wanchai, Hong Kong.

(d) The branch share registrar and transfer office of the Company in Hong Kong is Tricor Secretaries Limited situated at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.

(e) The English text of this circular and the accompanying form of proxy shall prevail over their respective Chinese text.

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

(Incorporated in Bermuda with limited liability)

(Stock Code: 163)

NOTICE IS HEREBY GIVEN that the annual general meeting of Emperor International Holdings Limited (the "Company") will be held at 22nd Floor, Emperor Group Centre, 288 Hennessy Road, Wanchai, Hong Kong on Tuesday, 19 September 2023 at 11:15 a.m. for the following purposes:

ORDINARY RESOLUTIONS

1. To receive and adopt the audited consolidated financial statements for the year ended 31 March 2023 together with the reports of the directors and independent auditor thereon.

2. To declare a final dividend for the year ended 31 March 2023.

3. (A) To re-elect Ms. Luk Siu Man, Semon as Director.

   (B) To re-elect Ms. Fan Man Seung, Vanessa as Director.

   (C) To re-elect Mr. Chu Kar Wing as Director.

4. To authorise the Directors to fix the Directors' remuneration.

5. To re-appoint Deloitte Touche Tohmatsu as independent auditor and to authorise the Directors to fix its remuneration.

As special business, to consider and, if thought fit, pass with or without amendments, the following resolutions as ordinary resolutions:

6. (A) "**THAT**

(i) subject to sub-paragraph (ii) of this resolution, the exercise by the Directors during the Relevant Period (as defined in sub-paragraph (iii) of this resolution) of all the powers of the Company to allot and issue additional shares of the Company and to make or grant offers, agreements and options which might require the exercise of such powers either during or after the Relevant Period, be and is hereby generally and unconditionally approved;

(ii) the aggregate number of shares of the Company allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in sub-paragraph (i) of this resolution, otherwise than pursuant to a Rights Issue (as defined in sub-paragraph (iii) of this resolution) or the exercise of subscription or conversion rights under any warrants of the Company or any securities which are convertible into shares of the Company or any share option scheme, shall not exceed 20% of the total number of issued shares of the Company on the date of this resolution and this approval shall be limited accordingly; and

(iii) for the purposes of this resolution:

"Relevant Period" means the period from the passing of this resolution until whichever is the earliest of:

(a) the conclusion of the next annual general meeting of the Company;

(b) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company ("Bye-laws") or any applicable laws to be held; and

(c) the date of which the authority sets out in this resolution is revoked or varied by an ordinary resolution passed in general meeting.

"Rights Issue" means an offer of shares open for a period fixed by the Directors to holders of shares on the register on a fixed record date in proportion to their then holdings of such shares (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of, any recognized regulatory body or any stock exchange in any territory outside Hong Kong)."

6. (B) "**THAT**

(i) subject to sub-paragraph (ii) of this resolution, the exercise by the Directors during the Relevant Period (as defined in sub-paragraph (iii) of this resolution) of all the powers of the Company to buy back issued shares of the Company on The Stock Exchange of Hong Kong Limited ("Stock Exchange") or on any other stock exchange on which the shares of the Company may be listed and recognised by the Stock Exchange and the Securities and Futures Commission for this purpose, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or of any other stock exchange as amended from time to time be and is hereby generally and unconditionally approved;

(ii) the aggregate number of shares of the Company to be bought back pursuant to the approval in sub-paragraph (i) above shall not exceed 10% of the total number of the issued shares of the Company as at the date of this resolution and the said approval shall be limited accordingly; and

(iii) for the purposes of this resolution:

"Relevant Period" means the period from the passing of this resolution until whichever is the earliest of:

(a) the conclusion of the next annual general meeting of the Company;

(b) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws or any applicable laws to be held; and

(c) the date on which the authority sets out in this resolution is revoked or varied by an ordinary resolution in general meeting."

6. (C) "**THAT** conditional upon resolution nos. 6(A) and 6(B) above being passed, the aggregate number of shares of the Company which are bought back by the Company under the authority granted to the Directors as mentioned in resolution no. 6(B) above shall be added to the aggregate number of shares of the Company that may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to resolution no. 6(A) above, provided that such extended number of shares of the Company shall not exceed 10% of the total number of issued shares of the Company as at the date of passing resolution no. 6(B)."

7. "**THAT** (i) conditional upon the Listing Committee of the Stock Exchange granting the approval for listing of, and permission to deal in, shares of the Company which fall to be issued pursuant to the exercise of share options granted under the New Share Option Scheme (as defined in the circular of the Company dated 23 August 2023 in relation to, inter alia, the adoption of New Share Option Scheme ("Mandate Circular") and a copy of which is tabled before the meeting marked "A" and initialed by the Chairperson of the meeting for identification purpose), the New Share Option Scheme, with the Scheme Limit (as defined in Mandate Circular and being 10% of shares in issue as at the date of passing of this resolution (share options previously granted including those outstanding, cancelled, lapsed or exercised shall not be counted in this 10% limit)) be approved and adopted to be the share option scheme of the Company; and (ii) the Board be authorised to grant share options thereunder and to allot and issue shares of the Company pursuant to the exercise of share options granted under the New Share Option Scheme and to do all such acts, to enter into all such transactions, arrangements and agreements as may be necessary or desirable to give full effect to the New Share Option Scheme and the Scheme Limit."

8. "**THAT** conditional upon the passing of the resolution no. 7 above, the Service Provider Sublimit (as defined in Mandate Circular and being 5% in aggregate of the total number of issued shares as at the date of the passing of this resolution) be approved and the Board be authorised to do all such acts, to enter into all such transactions, arrangements and agreements as may be necessary or desirable to give full effect to the Service Provider Sublimit."

9. "**THAT** (i) the Aggregate Tenancy Annual Cap (as defined in the circular of the Company dated 23 August 2023 in relation to renewal of continuing connected transactions – 2024 master leasing agreements ("MLA Circular")) for the master leasing agreement dated 23 March 2023 entered into between the Company and Emperor Watch & Jewellery Limited ("2024 EWJ MLA") and the master leasing agreement dated 23 March 2023 entered into between Emperor Entertainment Hotel Limited and Emperor Watch & Jewellery Limited ("2024 EWJ (Hotel) MLA") be and are hereby approved and (ii) any Director be and is hereby authorised to do all such acts and things which he/she may consider necessary, desirable or expedient to implement the transactions contemplated under the 2024 EWJ MLA and 2024 EWJ (Hotel) MLA (with any amendments to the terms of such agreements which are not inconsistent with the purpose thereof as may be approved by the Directors)."

   Remark for Resolution No. 9:

   The Aggregate Tenancy Annual Cap for 2024 EWJ MLA and 2024 EWJ (Hotel) MLA are bundled into one resolution because Emperor Entertainment Hotel Limited is a subsidiary of the Company, thus the tenancy transactions conducted under such agreements are regarded as between the Group (including Emperor E Hotel Group) and Emperor W&J Group as defined in MLA Circular.

10. "**THAT** (i) the Aggregate Tenancy Annual Cap for the master leasing agreement dated 23 March 2023 entered into between the Company and Emperor Capital Group Limited ("2024 ECG MLA") be and is hereby approved and (ii) any Director be and is hereby authorised to do all such acts and things which he/she may consider necessary, desirable or expedient to implement the transactions contemplated under the 2024 ECG MLA (with any amendments to the terms of such agreement which are not inconsistent with the purpose thereof as may be approved by the Directors)."

11. "**THAT** (i) the Aggregate Tenancy Annual Cap for the master leasing agreement dated 23 March 2023 entered into between the Company and Emperor Culture Group Limited ("2024 ECUG MLA") be and is hereby approved and (ii) any Director be and is hereby authorised to do all such acts and things which he/she may consider necessary, desirable or expedient to implement the transactions contemplated under the 2024 ECUG MLA (with any amendments to the terms of such agreement which are not inconsistent with the purpose thereof as may be approved by the Directors)."

12. "**THAT** (i) the Aggregate Tenancy Annual Cap for the master leasing agreement dated 23 March 2023 entered into between the Company and Ulferts International Limited ("2024 Ulferts MLA") be and is hereby approved and (ii) any Director be and is hereby authorised to do all such acts and things which he/she may consider necessary, desirable or expedient to implement the transactions contemplated under the 2024 Ulferts MLA (with any amendments to the terms of such agreement which are not inconsistent with the purpose thereof as may be approved by the Directors)."

13. "**THAT** (i) the Aggregate Tenancy Annual Cap for the master leasing agreement dated 23 March 2023 entered into between the Company and Albert Yeung Holdings Limited ("2024 AY Holdings MLA") be and is hereby approved and (ii) any Director be and is hereby authorised to do all such acts and things which he/she may consider necessary, desirable or expedient to implement the transactions contemplated under the 2024 AY Holdings MLA (with any amendments to the terms of such agreement which are not inconsistent with the purpose thereof as may be approved by the Directors)."

14. "**THAT** (i) the Sale and Purchase Agreement (as defined in the circular of the Company dated 23 August 2023 in relation to very substantial disposal and connected transaction – disposal of entire equity interest in target company ("Disposal Circular") and a copy of which is tabled before the meeting marked "B" and initialed by the Chairperson of the meeting for identification purpose) and the transactions contemplated thereunder be and are hereby ratified, confirmed and approved; and (ii) any Director be and is hereby authorised to do all such acts and things which he/she may consider necessary, desirable or expedient to implement the transactions contemplated under the Sale and Purchase Agreement (with any amendments to the terms of such agreement which are not inconsistent with the purpose thereof as may be approved by the Directors)."

By order of the Board
Emperor International Holdings Limited
Fung Pui Ling
Company Secretary

Hong Kong, 23 August 2023

Registered office:
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Head office and principal place of business in Hong Kong:
28th Floor
Emperor Group Centre
288 Hennessy Road
Wanchai
Hong Kong

Notes:

(i) For details regarding resolution nos. 3, 6 to 8, please refer to the Mandate Circular. For details regarding resolution nos. 9 to 13, please refer to the MLA Circular. For details regarding resolution no. 14, please refer to the Disposal Circular. Unless indicated otherwise, capitalised terms used in the respective resolutions shall have the same meanings as those defined in the respective circulars.

(ii) **No refreshments or drinks will be served and no corporate gifts will be distributed.**

(iii) Pursuant to Rule 13.39(4) of the Rules Governing the Listing of Securities on the Stock Exchange, all resolutions set out in this notice will be decided by poll at the annual general meeting ("AGM"). Where the Chairperson in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted, such resolution will be decided by show of hands.

(iv) A shareholder of the Company entitled to attend and vote at the meeting convened by this notice is entitled to appoint one or more proxies (if he/she is a holder of more than one share) to attend and vote in his/her stead. A proxy need not be a shareholder. The Company strongly encourages shareholders to appoint the Chairperson of the AGM as their proxies to exercise their rights to vote at the AGM. Physical attendance at the AGM by a shareholder is not necessary for the purpose of exercising voting rights.

(v) In order to be valid, the form of proxy must be in writing under the hand of the appointor or his/her attorney duly authorised in writing, or if the appointor is a corporation, either under its common seal, or under the hand of an officer or attorney duly authorised on that behalf, and must be deposited at the Company's Hong Kong Branch Share Registrar, Tricor Secretaries Limited ("Branch Share Registrar"), at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong together with a power of attorney or other authority, if any, under which it is signed or a certified copy of that power of attorney or authority, not less than 48 hours before the time for holding the AGM or adjourned meeting.

(vi) Where there are joint holders of any share(s), any one of such joint holders may vote, either in person or by proxy in respect of such share(s) as if he/she were solely entitled thereto, but if more than one of such joint holders be present at the AGM, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and, for this purpose, seniority shall be determined by the order in which the names stand in the register in respect of the joint holding of such share(s).

(vii) Completion and delivery of the form of proxy will not preclude a shareholder from attending and voting in person at the AGM or adjourned meeting thereof and in such event, the form of proxy previously submitted shall be deemed to be revoked.

(viii) In order to qualify for the right to attend and vote at the AGM, all relevant share certificates and properly completed transfer forms must be lodged for registration with the Branch Share Registrar at the above address not later than 4:30 p.m. on Wednesday, 13 September 2023.

(ix) The AGM will be held on Tuesday, 19 September 2023 as scheduled regardless of whether or not an amber or red rainstorm warning signal is in force in Hong Kong at any time on that day. However, if Typhoon Signal No. 8 or above, or a "black" rainstorm warning signal or "extreme conditions after super typhoons" announced by the HKSAR Government is in force at any time after 8:30 a.m. and before the above meeting time, the AGM will be postponed. The Company will post an announcement on the websites of the Stock Exchange (https://www.hkexnews.hk) and the Company (https://www.EmperorInt.com) to notify shareholders of the date, time and place of the rescheduled meeting.

(x) The translation into Chinese language of this notice is for reference only. In case of any inconsistency, the English version shall prevail.