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

(Incorporated in Bermuda with limited liability)
(Stock Code: 163)

ANNUAL RESULTS
FOR THE YEAR ENDED 31 MARCH 2020

	For the year ended	
	31 March	
	2020	2019
	HK\$'000	HK\$'000
Total revenue	2,365,382	4,352,386
– Rental income	1,007,719	1,107,820
– Property sales	145,250	1,695,772
– Hotel and hotel related operations	1,212,413	1,548,794
Gross profit	1,506,653	2,536,482
Fair-value (loss)/gain on investment properties	(4,129,522)	1,749,284
(Loss)/Profit attributable to the owners of the Company		
– Underlying ¹	842,238	1,495,801
– Reported	(3,644,359)	3,136,289
Basic (loss)/earnings per share	HK\$(0.99)	HK\$0.85
Total dividends per share	HK\$0.07	HK\$0.11

¹ Excluding the effect of any fair-value changes and write-downs net of deferred taxation

* For identification purpose only

Emperor International Holdings Limited
2019/2020 Annual Results Announcement

The board of directors (the “Board” or the “Directors”) of Emperor International Holdings Limited (the “Company”) announces the audited consolidated financial statements of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 March 2020 (the “Year”) together with the comparative figures for the corresponding year in 2019 as set out below:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 March 2020

	Notes	2020 HK\$'000	2019 HK\$'000
Revenue			
Contracts with customers	3(a)	1,357,663	3,244,566
Leases	3(b)	1,007,719	1,107,820
Total revenue		2,365,382	4,352,386
Cost of properties sales		(119,328)	(1,031,389)
Cost of hotel and hotel related operations		(603,426)	(635,051)
Direct operating expenses in respect of leasing of investment properties		(135,975)	(149,464)
Gross profit		1,506,653	2,536,482
Other income		184,076	148,280
Fair value changes of investment properties		(4,129,522)	1,749,284
Other gains and losses	5	170,704	720,570
Impairment allowance reversed (recognised) for trade receivables		289	(35,826)
Selling and marketing expenses		(290,457)	(426,110)
Administrative expenses		(502,570)	(522,583)
Finance costs		(674,886)	(715,627)
Share of result of an associate		65,339	38,836
Share of result of a joint venture		(109)	(72)
(Loss) profit before taxation	6	(3,670,483)	3,493,234
Taxation credit (charge)	7	127,121	(165,472)
(Loss) profit for the year		<u>(3,543,362)</u>	<u>3,327,762</u>
(Loss) profit for the year attributable to:			
Owners of the Company		(3,644,359)	3,136,289
Non-controlling interests		100,997	191,473
		<u>(3,543,362)</u>	<u>3,327,762</u>
(Loss) earnings per share	9		
Basic		<u>HK\$(0.99)</u>	<u>HK\$0.85</u>

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME**

For the year ended 31 March 2020

	2020	2019
	<i>HK\$'000</i>	<i>HK\$'000</i>
(Loss) profit for the year	(3,543,362)	3,327,762
Other comprehensive (expense) income		
<i>Item that will not be reclassified to profit or loss:</i>		
Revaluation surplus of property, plant and equipment transferred to investment properties, net of tax	–	10,941
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Exchange differences arising on translation of foreign operations:		
– subsidiaries	(631,562)	(660,960)
– an associate	(8,662)	(5,380)
Fair value change on hedging instruments in cash flow hedge	35,285	(5,331)
Fair value change of debt instruments at fair value through other comprehensive income	(4,721)	329
Reclassification adjustments for amounts transferred to profit or loss upon disposal of debt instruments at fair value through other comprehensive income	4,009	854
Release of hedging reserve upon disposal of hedging instruments in cash flow hedge	(22,718)	–
Other comprehensive expense for the year	(628,369)	(659,547)
Total comprehensive (expense) income for the year	(4,171,731)	2,668,215
Total comprehensive (expense) income for the year attributable to:		
Owners of the Company	(4,272,368)	2,478,246
Non-controlling interests	100,637	189,969
	(4,171,731)	2,668,215

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2020

	<i>Notes</i>	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Non-current assets			
Investment properties		44,690,869	49,101,784
Property, plant and equipment		3,185,297	3,278,973
Deposits paid for acquisition of investment properties/property, plant and equipment		15,734	50,321
Receivables related to a development project		162,519	173,112
Right-of-use assets		556,404	–
Prepaid lease payments		–	513,822
Debt instruments at fair value through other comprehensive income		35,959	372,025
Interest in an associate		170,162	113,485
Interest in a joint venture	10	813,970	735,374
Goodwill		56,683	56,683
Other assets		4,052	4,092
Derivative financial instruments		–	11,415
		49,691,649	54,411,086
Current assets			
Inventories		15,676	14,687
Properties held for sale	11	315,497	405,032
Properties under development for sale		4,858,713	3,257,951
Prepaid lease payments		–	18,102
Trade and other receivables	12	1,417,187	1,544,129
Debt instruments at fair value through other comprehensive income		46,415	96,783
Taxation recoverable		17,987	43,073
Deposit in designated bank account for development properties		9,194	9,696
Pledged bank deposits		348	44,040
Short-term bank deposits		980,656	300,662
Bank balances and cash		2,943,493	3,643,816
		10,605,166	9,377,971
Assets classified as held for sale		–	455,147
Total current assets		10,605,166	9,833,118

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

	<i>Notes</i>	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Current liabilities			
Trade and other payables	13	970,763	1,146,091
Contract liabilities		16,420	7,500
Amount due to an associate		87,556	33,652
Amounts due to related companies		1,105,010	484,436
Amounts due to non-controlling interests of subsidiaries		41,090	46,200
Taxation payable		330,774	407,229
Unsecured notes – due within one year		1,092,563	1,298,357
Bank borrowings – due within one year		4,540,971	2,968,580
Lease liabilities – due within one year		4,790	–
		8,189,937	6,392,045
Liabilities associated with assets classified as held for sale		–	412,875
Total current liabilities		8,189,937	6,804,920
Net current assets		2,415,229	3,028,198
Total assets less current liabilities		52,106,878	57,439,284
Non-current liabilities			
Contract liabilities		18,870	–
Amounts due to related companies		–	744,792
Unsecured notes – due after one year		4,069,203	4,622,690
Bank borrowings – due after one year		16,238,421	15,479,807
Lease liabilities – due after one year		39,569	–
Deferred taxation		2,018,611	2,234,155
		22,384,674	23,081,444
		29,722,204	34,357,840
Capital and reserves			
Share capital		36,775	36,775
Reserves		27,163,460	31,798,299
Equity attributable to owners of the Company		27,200,235	31,835,074
Non-controlling interests		2,521,969	2,522,766
		29,722,204	34,357,840

NOTES:

1. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis except for investment properties, debt instruments at fair value through other comprehensive income (“FVTOCI”) and derivative financial instruments that are measured at fair values at the end of each reporting period.

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

Save as described in note 2, the accounting policies adopted for preparation of the consolidated financial statements are consistent with those followed in the preparation of the Group’s consolidated financial statements for the year ended 31 March 2019.

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRSs

New and amendments to HKFRSs that are mandatorily effective for the current year

The Group has applied the following new and amendments to HKFRSs and an interpretation issued by the HKICPA for the first time in the current year:

HKFRS 16	Leases
HK(IFRIC) – Int 23	Uncertainty over Income Tax Treatments
Amendments to HKFRS 9	Prepayment Features with Negative Compensation
Amendments to HKAS 19	Plan Amendment, Curtailment or Settlement
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015 – 2017 Cycle

Except as described below, the application of the new and amendments to HKFRSs and the interpretation in the current year has had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

HKFRS 16 Leases

The Group has applied HKFRS 16 for the first time in the current year. HKFRS 16 superseded HKAS 17 Leases (“HKAS 17”), and the related interpretations.

Definition of a lease

The Group has elected the practical expedient to apply HKFRS 16 to contracts that were previously identified as leases applying HKAS 17 and HK(IFRIC) – Int 4 Determining whether an Arrangement contains a Lease and not apply this standard to contracts that were not previously identified as containing a lease. Therefore, the Group has not reassessed contracts which already existed prior to the date of initial application.

For contracts entered into or modified on or after 1 April 2019, the Group applies the definition of a lease in accordance with the requirements set out in HKFRS 16 in assessing whether a contract contains a lease.

As a lessee

The Group has applied HKFRS 16 retrospectively with the cumulative effect recognised at the date of initial application, 1 April 2019.

As at 1 April 2019, the Group recognised additional lease liabilities and right-of-use assets at amounts equal to the related lease liabilities adjusted by any prepaid lease payments by applying HKFRS 16.C8(b)(ii) transition. Any difference at the date of initial application is recognised in the opening retained profits and comparative information has not been restated.

When applying the modified retrospective approach under HKFRS 16 at transition, the Group applied the following practical expedients to leases previously classified as operating leases under HKAS 17, on lease-by-lease basis, to the extent relevant to the respective lease contracts:

- i elected not to recognise right-of-use assets and lease liabilities for leases with lease term ending within 12 months of the date of initial application;
- ii excluded initial direct costs from measuring the right-of-use assets at the date of initial application;
- iii applied a single discount rate to a portfolio of leases with a similar remaining terms for similar class of underlying assets in similar economic environment. Specifically, discount rate for certain leases of properties in Hong Kong Special Administrative Region (“Hong Kong”) and Macau Special Administrative Region (“Macau”) was determined on a portfolio basis; and
- iv used hindsight based on facts and circumstances as at date of initial application in determining the lease term for the Group’s leases with extension and termination options.

When recognising the lease liabilities for leases previously classified as operating leases, the Group has applied incremental borrowing rates of the relevant group entities at the date of initial application. The weighted average incremental borrowing rate applied is 3.5% per annum.

At 1 April 2019

HK\$'000

Operating lease commitments disclosed as at 31 March 2019	3,912
Add: Extension options reasonably certain to be exercised	40,834
Less: Short-term leases and leases with lease term ending within 12 months from the date of initial application of HKFRS 16	<u>(2,301)</u>
	42,445
Lease liabilities discounted at relevant incremental borrowing rates	<u>(14,779)</u>
Lease liabilities relating to operating leases recognised upon application of HKFRS 16 as at 1 April 2019	<u>27,666</u>
Analysed as:	
Current	634
Non-current	<u>27,032</u>
	<u>27,666</u>

The carrying amount of right-of-use assets for own use as at 1 April 2019 comprises the following:

HK\$'000

Right-of-use assets relating to operating leases recognised upon application of HKFRS 16	27,666
Reclassified from prepaid lease payments (<i>Note</i>)	<u>531,924</u>
	<u>559,590</u>
By class:	
Leasehold lands	558,046
Land and buildings	<u>1,544</u>
	<u>559,590</u>

Note: Upfront payments for leasehold lands in Macau were classified as prepaid lease payments as at 31 March 2019. Upon application of HKFRS 16, the current and non-current portions of prepaid lease payments amounting to HK\$18,102,000 and HK\$513,822,000 respectively were reclassified to right-of-use assets.

As a lessor

In accordance with the transitional provisions in HKFRS 16, the Group is not required to make any adjustment on transition for leases in which the Group is a lessor but account for these leases in accordance with HKFRS 16 from the date of initial application and comparative information has not been restated.

Upon application of HKFRS 16, new lease contracts entered into but commence after the date of initial application relating to the same underlying assets under existing lease contracts are accounted as if the existing leases are modified as at 1 April 2019. The application has had no impact on the Group's consolidated statement of financial position at 1 April 2019. However, effective from 1 April 2019, lease payments relating to the revised lease term after modification are recognised as income on straight-line basis over the extended lease term.

Before application of HKFRS 16, refundable rental deposits received were considered as rights and obligations under leases to which HKAS 17 applied under trade and other payables. Based on the definition of lease payments under HKFRS 16, such deposits are not payments relating to the right-of-use assets and the discounting effect is insignificant at transition.

The applications of HKFRS 16 has had no material impact on the Group as a lessor on the consolidated statement of financial position as at 1 April 2019.

The following adjustments were made to the amounts recognised in the consolidated statement of financial position at 1 April 2019. Line items that were not affected by the changes have not been included.

	Carrying amounts previously reported at 31 March 2019 HK\$'000	Adjustments HK\$'000	Carrying amounts under HKFRS 16 at 1 April 2019 HK'000
Non-current assets			
Right-of-use assets	–	559,590	559,590
Prepaid lease payments	513,822	(513,822)	–
Current asset			
Prepaid lease payments	18,102	(18,102)	–
Current liability			
Lease liabilities	–	(634)	(634)
Non-current liability			
Lease liabilities	–	(27,032)	(27,032)

Note: For the purpose of reporting cash flows for the year ended 31 March 2020, movements have been computed based on opening consolidated statement of financial position as at 1 April 2019 as disclosed above.

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

3. REVENUE

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

(a) Contracts with customers

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Hotel and hotel related operations:		
Recognised over time:		
Service income from gaming operations	926,845	1,136,856
Hotel room income	151,497	250,316
Others	1,444	4,283
	<u>1,079,786</u>	<u>1,391,455</u>
Recognised at a point in time:		
Food and beverage sales	129,747	154,196
Others	2,880	3,143
	<u>132,627</u>	<u>157,339</u>
	1,212,413	1,548,794
Sales of properties recognised at a point in time	<u>145,250</u>	<u>1,695,772</u>
Revenue from contracts with customers	<u><u>1,357,663</u></u>	<u><u>3,244,566</u></u>

(b) Leases

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Total revenue arising from leases:		
For operating leases:		
Lease payments that are fixed or depend on an index or a rate	993,822	
Variable lease payments that do not depend on an index or a rate	13,897	
	<u>1,007,719</u>	
		1,107,820
Total revenue arising from leases:		<u><u>1,107,820</u></u>
Operating lease income – property		<u><u>1,107,820</u></u>

Included in the operating lease income is contingent rental of HK\$13,082,000.

4. SEGMENT INFORMATION

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

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

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

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

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

Segment results represent the profit earned by or loss suffered from each segment without allocation of central administration costs, interest income, finance costs, loss on disposal of debt instruments at FVTOCI, share of result of an associate and share of result of a joint venture and unallocated other gains and losses including gain on disposal of subsidiaries, gain on disposal of derivative financial instruments and write-off of an amount due from an associate. This is the measure reported to the CODM for the purpose of resource allocation and performance assessment.

Information regarding the above segments is reported below:

Business segments

For the year ended 31 March 2020	Lease of properties HK\$'000	Properties development HK\$'000	Hotel and hotel related operations HK\$'000	Total HK\$'000
<i>Segment revenue and results</i>				
Segment revenue				
– from external customers	<u>1,007,719</u>	<u>145,250</u>	<u>1,212,413</u>	<u>2,365,382</u>
Segment results	<u>(3,284,060)</u>	<u>(462,057)</u>	<u>82,520</u>	<u>(3,663,597)</u>
Interest income				119,024
Loss on disposal of debt instruments at FVTOCI				(4,009)
Unallocated other gains and losses				646,787
Corporate expenses, net				(159,032)
Finance costs				(674,886)
Share of result of an associate				65,339
Share of result of a joint venture				(109)
Loss before taxation				(3,670,483)
Taxation credit				<u>127,121</u>
Loss for the year				<u>(3,543,362)</u>

Other information

Amounts included in the measure of segment results:

Depreciation of property, plant and equipment	–	–	147,497	147,497
Depreciation of right-of-use assets	–	–	21,784	21,784
Fair value decrement in investment properties	4,129,522	–	–	4,129,522
Impairment allowance (recognised) reversed				
– for trade receivables	(96)	–	385	289
Loss on disposal of property, plant and equipment	5	–	452	457
Write-downs of properties under development for sale	–	446,850	–	446,850

Amounts regularly provided to the CODM but not included in the measure of segment results (included in corporate expenses, net):

HK\$'000

Depreciation of property, plant and equipment, at corporate level 32,695

For the year ended 31 March 2019	Lease of properties <i>HK\$'000</i>	Properties development <i>HK\$'000</i>	Hotel and hotel related operations <i>HK\$'000</i>	Total <i>HK\$'000</i>
<i>Segment revenue and results</i>				
Segment revenue				
– from external customers	<u>1,107,820</u>	<u>1,695,772</u>	<u>1,548,794</u>	<u>4,352,386</u>
Segment results	<u>2,655,977</u>	<u>576,422</u>	<u>310,962</u>	3,543,361
Interest income				102,830
Loss on disposal of debt instruments at FVTOCI				(854)
Unallocated other gains and losses				785,305
Corporate expenses, net				(260,545)
Finance costs				(715,627)
Share of result of an associate				38,836
Share of result of a joint venture				<u>(72)</u>
Profit before taxation				3,493,234
Taxation charge				<u>(165,472)</u>
Profit for the year				<u>3,327,762</u>

Other information

Amounts included in the measure of segment results:

Depreciation of property, plant and equipment	–	–	133,498	133,498
Fair value increment in investment properties	1,749,284	–	–	1,749,284
Impairment allowance recognised for trade receivables	703	–	35,123	35,826
Loss on disposal of property, plant and equipment	–	–	184	184
Release of prepaid lease payments	<u>–</u>	<u>–</u>	<u>18,104</u>	<u>18,104</u>

Amounts regularly provided to the CODM but not included in the measure of segment results (included in corporate expenses, net):

HK\$'000

Depreciation of property, plant and equipment, at corporate level	<u>42,134</u>
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No analysis of the Group's assets and liabilities by operating segment is disclosed as they are not regularly provided to the CODM for review.

Geographical information

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

The Group's revenue from external customers and information about its non-current assets, other than receivables related to a development project, debt instruments at FVTOCI, interest in an associate, interest in a joint venture and derivative financial instruments, by geographical location of the assets are detailed below:

	Revenue from customers		Non-current assets	
	For the year ended 31 March		As at 31 March	
	2020	2019	2020	2019
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Hong Kong	958,292	2,671,096	30,907,870	34,017,454
The PRC	125,957	166,322	9,753,432	10,726,563
Macau	1,184,896	1,416,903	4,489,743	4,626,169
UK	96,237	98,065	3,357,994	3,635,489
	<u>2,365,382</u>	<u>4,352,386</u>	<u>48,509,039</u>	<u>53,005,675</u>

Information about major customers

During the year, revenue derived from one (2019: one) customer contributed over 10% of the total revenue of the Group's revenue amounted to HK\$928,218,000 (2019: HK\$1,139,510,000). The revenue is related to the hotel and hotel related operations.

5. OTHER GAINS AND LOSSES

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Gain on disposal of subsidiaries (<i>note 14</i>)	639,789	785,305
Gain on disposal of derivative financial instruments	19,977	–
Write-off of an amount due from an associate	(12,979)	–
Net exchange loss	(29,233)	(64,735)
Write-downs of properties under development for sale (<i>Note</i>)	(446,850)	–
	170,704	720,570

Note: During the year, the Directors reviewed the recoverability of the properties under development for sale with reference to the current market environment and recognised write-downs of HK\$446,850,000 (2019: nil).

6. (LOSS) PROFIT BEFORE TAXATION

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
(Loss) profit before taxation has been arrived at after charging:		
Depreciation of property, plant and equipment	180,192	175,632
Depreciation of right-of-use assets	21,784	–
Loss on disposal of debt instruments at FVTOCI	4,009	854
Loss on disposal of property, plant and equipment	457	184
Release of prepaid lease payments	–	18,104
and after crediting:		
Interest income from debt instruments at FVTOCI	19,683	30,282

7. TAXATION CREDIT (CHARGE)

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Taxation credit (charge) comprises:		
<i>Current tax</i>		
Hong Kong Profits Tax	(43,701)	(128,712)
Macau Complementary Tax	(26,662)	(40,545)
UK Income Tax	(1,415)	(1,332)
The PRC Enterprise Income Tax	(1,071)	(1,166)
	<u>(72,849)</u>	<u>(171,755)</u>
<i>Reversal of Macau Complementary Tax provision in respect of prior years</i>	<u>91,769</u>	<u>111,605</u>
<i>Over(under)provision in respect of prior years</i>		
Hong Kong Profits Tax	413	598
Macau Complementary Tax	–	33
UK Income Tax	(11)	–
The PRC Enterprise Income Tax	(70)	4,650
	<u>332</u>	<u>5,281</u>
<i>Deferred taxation credit (charge)</i>	<u>107,869</u>	<u>(110,603)</u>
	<u>127,121</u>	<u>(165,472)</u>

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

The Macau Complementary Tax (“CT”) is calculated at the applicable rate of 12% of the estimated assessable profits for both years. Pursuant to the CT Law, the statutory right to issue CT assessment on the estimated assessable profits in a year of assessment will expire in five consecutive years after that year of assessment. At the end of the reporting period, the Directors reassessed the adequacy of the CT provision and determined to reverse part of the Group’s relevant CT provision of HK\$91,769,000 for the 2014 year of assessment (2019: HK\$111,605,000 for the 2013 year of assessment) accordingly.

UK Income Tax is calculated at the applicable rate of 20% of the estimated assessable profits for both years.

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

8. DIVIDENDS

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Dividends recognised as distribution during the year:		
Final dividend paid in respect of 2019: HK\$0.063 per share (2019: HK\$0.061 per share in respect of 2018)	231,685	224,330
Interim dividend paid in respect of 2020: HK\$0.035 per share (2019: HK\$0.047 per share in respect of 2019)	128,714	172,845
	360,399	397,175

The final dividend of HK\$0.035 per share in respect of the year ended 31 March 2020 (2019: final dividend of HK\$0.063 per share) amounting to approximately HK\$128,714,000 has been proposed by the Directors and is subject to approval by the shareholders in the forthcoming annual general meeting.

9. (LOSS) EARNINGS PER SHARE

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

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
(Loss) earnings		
(Loss) earnings ((loss) profit for the year attributable to owners of the Company) for the purpose of basic (loss) earnings per share	(3,644,359)	3,136,289
	2020	2019
Number of shares		
Weighted average number of ordinary shares in issue for the purpose of basic (loss) earnings per share	3,677,545,667	3,677,545,667

Diluted (loss) earnings per share is not presented as there were no dilutive potential ordinary share for both years.

10. INTEREST IN A JOINT VENTURE

Interest in a joint venture represents interest in Superb Land Limited of which the Group holds 40% equity interest. Superb Land Limited holds 100% interest in Talent Charm Corporation Limited (“Talent Charm”), being the property development company of a development project located at Rural Building Lot No. 1198, Shouson Hill Road West, Hong Kong.

As at 31 March 2020, the Group has given a corporate guarantee of HK\$941,600,000 (2019: HK\$941,600,000) to a bank in respect of banking facilities granted to Talent Charm, of which HK\$829,357,000 (2019: HK\$642,400,000) has been utilised. In the opinion of the Directors, the fair value of the financial guarantee is not significant.

11. PROPERTIES HELD FOR SALE

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

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Hong Kong	315,061	404,570
The PRC	436	462
	<u>315,497</u>	<u>405,032</u>

12. TRADE AND OTHER RECEIVABLES

An analysis of trade and other receivables is as follows:

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Trade receivables (<i>Note a</i>)	43,101	107,645
Chips on hand (<i>Note b</i>)	69,277	122,888
Other receivables (<i>Note c</i>)	343,209	416,852
Deposits and prepayments	961,600	896,744
	<u>1,417,187</u>	<u>1,544,129</u>

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

	2020	2019
	<i>HK\$'000</i>	<i>HK\$'000</i>
0 – 30 days	25,493	91,339
31 – 90 days	3,447	1,287
91 – 180 days	1,261	1,335
Over 180 days	12,900	13,684
	43,101	107,645

Notes:

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

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

As at 31 March 2020, included in the trade receivable balances in respect of other operations are debtors with carrying amounts of HK\$19,110,000 (2019: HK\$4,989,000) which are past due at the end of the reporting period.

- (b) Chips on hand represent chips issued by a gaming concessionaire in Macau which can be exchanged into their cash amounts.
- (c) As at 31 March 2020, included in other receivables are amounts due from related companies of HK\$44,741,000 (2019: HK\$50,988,000). These related companies are indirectly controlled by private discretionary trusts which are also founded by Dr. Yeung Sau Shing, Albert (“Dr. Albert Yeung”) who is the deemed substantial shareholder of the Company. The amounts are unsecured, interest-free and repayable within one year.

13. TRADE AND OTHER PAYABLES

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

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
0 – 90 days	54,930	45,636
91 – 180 days	–	165
Over 180 days	–	37
	<hr/>	<hr/>
	54,930	45,838
Amount due to a shareholder of an associate (<i>Note</i>)	1,299	1,349
Construction payables and accruals	352,655	509,324
Rental deposits received	320,516	325,104
Other payables and accruals	241,363	264,476
	<hr/>	<hr/>
	970,763	1,146,091
	<hr/> <hr/>	<hr/> <hr/>

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

14. DISPOSAL OF SUBSIDIARIES

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

- (a) On 8 February 2019, Emperor Property Investment Limited (“EPIL”) entered into a sale and purchase agreement to dispose of the entire equity interests in Keenrise Holdings Limited and its subsidiary (“Keenrise Group”), indirect wholly-owned subsidiaries of the Company engaged in the business of property investment, and all loan due by Keenrise Group to EPIL to an independent third party for a total consideration of approximately HK\$1,100,000,000 including consideration for the settlement of bank borrowings at disposal date. The disposal was completed on 10 June 2019 with a gain of HK\$639,789,000.

During the year ended 31 March 2019, the Group had disposed of the following subsidiaries:

- (b) On 27 August 2018, EPIL entered into a sales and purchase agreement to dispose of the entire equity interests in Perfect Raise Holdings Limited and its subsidiaries (“Perfect Raise Group”), indirect wholly-owned subsidiaries of the Company engaged in the business of property investment, and all loan due by Perfect Raise Group to EPIL to a company indirectly controlled by a private discretionary trust which is founded by Dr. Albert Yeung for a total consideration of HK\$1,151,472,000. The disposal was completed on 12 December 2018.
- (c) On 29 March 2018, Emperor Corporate Management Limited (“Emperor Corporate Management”), a wholly-owned subsidiary of the Company entered into a sale and purchase agreement to dispose of the entire equity interests in Prestige Gold Investment Limited (“Prestige Gold”), an indirect wholly-owned subsidiary of the Company engaged in the business of property investment, and all loan due by Prestige Gold to Emperor Corporate Management to a company indirectly controlled by a private discretionary trust which is founded by Dr. Albert Yeung for a total consideration of HK\$824,959,000. The disposal was completed on 13 June 2018 with a gain of HK\$785,305,000.

MANAGEMENT DISCUSSION AND ANALYSIS

The Group principally engages in property investment, property development and hospitality in Greater China and overseas, owning properties with a total area of over 5 million square feet. The Group has a tri-engine business model – owning and managing investment properties in prime locations that generate stable income; developing residential projects to drive earnings visibility; and operating hospitality services with steady recurrent cash flow. The Group has been recognised by BCI Asia as one of the “Top 10 Developers in Hong Kong 2019” for its sustainability efforts and achievements in developing high quality, innovative properties.

In November 2019, the trademark “英皇” has been recognised as well-known to relevant public in mainland China and obtained cross-class protection from the National Intellectual Property Administration, affirming its wide recognition and brand value in China.

MARKET REVIEW

The Year was an unprecedented challenging period. The global trade disputes and local social issues unquestionably hindered economic development in Hong Kong. The market landscape further deteriorated since January 2020, due to the coronavirus outbreak (COVID-19; the “Pandemic”).

Economic activities were widely disrupted as nationwide lockdowns and travel bans were in place in multiple cities. Corporations generally put expansion plans on hold or even exercised downsizing due to the unfavourable business environment. Retail tenant ability to afford rents was undermined as the store traffic and consumption power declined, and pressure has been put on landlords for rent reductions. Hence, the market leasing demand of both retail and office segments were under pressure during the Year. Meanwhile, the demand for hospitality services was adversely affected because of the significant drop in the number of visitor arrivals.

With the fears of the Pandemic and concern regarding the regional economic outlook, home buyers’ confidence was obviously dented. Especially in the first quarter of 2020, property developers generally postponed sales launches, and the second-hand residential property market turned stagnant because people were keen to stay home. According to data provided by Centaline Property Agency, new home sales in March 2020 decreased by 40.4% month-on-month to below 600 units, the lowest since December 2018.

FINANCIAL REVIEW

Overall Review

Against the backdrop of a complex market environment, the Group's total revenue was HK\$2,365.4 million (2019: HK\$4,352.4 million) during the Year. Rental income decreased by 9.0% to HK\$1,007.7 million (2019: HK\$1,107.8 million), representing 42.6% (2019: 25.4%) of total revenue. Revenue from the sales of property development amounted to HK\$145.3 million (2019: HK\$1,695.8 million). The fluctuation of this segment is mainly due to the sales pipeline and strategies, as well as the revenue recognition policy. Revenue from the hospitality segment declined to HK\$1,212.4 million (2019: HK\$1,548.8 million), and accounted for 51.3% (2019: 35.6%) of the total revenue. Gross profit was HK\$1,506.7 million (2019: HK\$2,536.5 million).

A revaluation loss on investment properties amounted to HK\$4,129.5 million (2019: revaluation gain of HK\$1,749.3 million). As a result, loss for the Year attributable to the owners of the Company of HK\$3,644.4 million (2019: profit of HK\$3,136.3 million) was recorded. Excluding the revaluation loss (2019: revaluation gain) on investment properties, the underlying profit amounted to HK\$842.2 million (2019: HK\$1,495.8 million).

Basic loss per share was HK\$0.99 (2019: basic earnings per share of HK\$0.85). The Board recommended the payment of a final dividend of HK\$0.035 (2019: HK\$0.063) per share. Together with the interim dividend of HK\$0.035 (2019: HK\$0.047) per share, the total dividends for the Year are HK\$0.070 (2019: HK\$0.110) per share.

Liquidity and Financial Resources

As at 31 March 2020, the Group's net asset value and net asset value per share amounted to HK\$27,200.2 million (2019: HK\$31,835.1 million) and HK\$7.40 (2019: HK\$8.66) per share, respectively.

The Group had cash, bank balances and bank deposits amounting to HK\$3,924.1 million as at 31 March 2020 (2019: HK\$3,944.5 million). The total external borrowings (excluding payables) amounted to approximately HK\$27,087.3 million (2019: HK\$25,644.9 million), and the Group's net gearing ratio (measured by net debts as a percentage to the total asset value of the Group) was 38.4% (2019: 33.8%).

To finance its operations, the Group utilises cash flow generated from business operations and maintains multiple channels of funding sources including bank borrowings and bond issuances. As of 31 March 2020, the outstanding principal of the medium-term notes issued by the Group was HK\$5,161.8 million, which were denominated in Hong Kong dollar and United States dollar at fixed rates ranging from 3.2% to 5.0% per annum.

BUSINESS REVIEW

Rental Income

The Group's investment properties portfolio primarily focuses on commercial buildings and quality street-level retail spaces in prominent locations, with a total gross floor area of over 4,600,000 square feet. In recent years, the Group has strived to further develop beyond its origins, notably by expanding its coverage from Greater China to the United Kingdom, enabling it to possess a geographically balanced property portfolio. By doing so, the Group can diversify its rental income streams and withstand market volatility.

Existing Portfolio

– Hong Kong

Among the Group's investment properties portfolio, Hong Kong accounted for more than 65% of the Group's total gross floor area. As at 31 March 2020, the occupancy rate of the Group's investment properties in Hong Kong was nearly 95%.

The Group owns numerous premium office, commercial and industrial complexes which mainly include *Emperor Group Centre* and *China Huarong Tower* in Wan Chai; *Emperor Commercial Centre* in Central; *Tippy Tower* in Kwai Chung; *New Media Tower* in Kwun Tong; *Bhotai Industrial Building & Shan Ling Industrial Building* in Tuen Mun; and *commercial and car park complexes at Sui Wo Court* in Sha Tin. During the Year, the Group acquired *CentreHollywood* at No. 151 Hollywood Road, Hong Kong. It is a 26-storey commercial building with a gross floor area of approximately 35,000 square feet.

A new revitalisation scheme for industrial buildings has been announced by the local government in Policy Address 2018, allowing relaxation of the maximum permissible non-domestic plot ratio by up to 20% for certain redevelopment projects. The Group welcomes such supportive initiatives, and several town planning approvals – covering *Tippy Tower, New Media Tower, Bhotai Industrial Building & Shan Ling Industrial Building* – have been obtained, and the corresponding redevelopment projects are scheduled to be completed in or after 2024.

Apart from the above-mentioned premises, the Group's rental income also came from numerous retail spaces in popular shopping districts. Key investment properties include *Nos. 8, 20, 22-24 and 50-56 Russell Street, No. 76 Percival Street* and *Nos. 474-476, 478-484, 507, 523 Lockhart Road* in Causeway Bay; *Nos. 81, 83 Nathan Road, Nos. 35-37 Haiphong Road* and *Nos. 25-29 Hankow Road* in Tsim Sha Tsui; *the pulse* in Repulse Bay; *retail shops of Fairview Height* at Mid-Levels, *Fitfort Shopping Arcade* in North Point, and *retail shops at Level 3, New Town Commercial Arcade* in Tuen Mun.

– *Mainland China*

Located in Chang’an Avenue East, Beijing, ***Emperor Group Centre Beijing*** is a 28-storey (excluding three-storey basement with parking facilities) Grade-A office tower and premier shopping mall with premium cinema, encompassing a gross floor area of approximately 1,062,000 square feet. It becomes an important part of Yong’anli CBD and marked a major milestone for the Group in developing upscale significant commercial projects in mainland China. It has therefore attracted reputable office tenants, multiple international superior jewellery, watch, and high-quality lifestyle product brands, as well as special trendy food and beverage tenants from different countries. ***Emperor Group Centre Beijing*** gives full play to advanced structural systems, intelligent technology, and energy-saving technology to create a new commercial image with a balance between environment and urban economic development. During the Year, ***Emperor Group Centre Beijing*** garnered the “2019 China Golden Landmark Award for Office Buildings”, which is a testimony to its international operating system, luxurious 6-star Super Grade-A equipment, and world-class commercial quality.

– *Macau*

With a gross floor area of approximately 30,000 square feet, ***Emperor Nam Van Centre*** is a multi-storey premium retail complex on the Macau Peninsula. Located at the centre of Macau Peninsula’s gaming district, ***Emperor Nam Van Centre*** has become a prime shopping location with a blend of shopping and lifestyle offerings, featuring a department store, sportswear outlet and jewellery store.

– *London*

The Group owns a 7-storey (including basement) retail and office complex at ***Nos. 181-183*** as well as ***Ampersand Building*** at ***Nos. 111-125*** on ***Oxford Street***. ***Ampersand Building*** is an 8-storey (including basement) composite building comprising retail spaces, office premises and apartments under lease with a net internal area of approximately 91,000 square feet (for retail and office portions only). Located in the prime retail and vibrant SOHO office area of London’s West End, it is also in close proximity to the Tottenham Court Road Crossrail development, thereby enjoying significant pedestrian traffic and excellent accessibility.

Future Projects

– Hong Kong

The Group continually strives to enhance the value and maximise the potential rental income of its premises by undertaking various redevelopment and revitalisation programmes. The site at ***Nos. 75-85 Lockhart Road***, Wan Chai, will be transformed into a Grade-A office building with a gross floor area of approximately 96,000 square feet. The project is scheduled for completion in 2021. The redevelopment will create a vibrant building in the heart of Wan Chai – one of the core commercial districts on Hong Kong Island – and presents significant value-creation opportunities to the Group.

With a gross floor area of over 178,000 square feet, the 14-storey industrial building located at ***No. 4 Kin Fat Lane***, Tuen Mun, will be transformed into a commercial building through a wholesale conversion scheme, and will support diverse functions such as food and beverage, retail and offices. The alteration and addition works will be completed in 2020.

– London

Occupying a prominent commercial and shopping location in London, which is popular with international visitors, the site at ***Nos. 25-27 Oxford Street*** will be redeveloped into a composite of retail and office building with a gross floor area of approximately 20,000 square feet, for long-term investment purposes. The redevelopment project entails restoring the building's historic street-front facades, along with the construction of a 9-storey building that houses retail shops and offices. The redevelopment project will be completed in 2020.

– Mainland China

Located in Yuyuan, Huangpu District, Shanghai, ***Emperor Star City*** will be developed into a shopping arcade and hotel or serviced apartment complex, at a prime site adjacent to the Shanghai M10 subway route. Foundation and basement excavation work for the development has been completed. With an expected gross floor area of approximately 1,300,000 square feet, the complex will include a multi-storey shopping arcade as its major component.

Property Sales

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

Projects launched for sale

Peak Castle, a luxurious low-rise development of 14 detached and semi-detached houses in Siu Lam, Tuen Mun, has a total saleable area of approximately 43,000 square feet. It is well served by a superb transportation network comprising Hong Kong-Shenzhen Western Corridor and Hong Kong-Zhuhai-Macau Bridge, as well as the future Tuen Mun-Chek Lap Kok Link. As at 31 March 2020, remaining 1 detached house was open for sale. Sales contracts for 4 houses had been concluded, and the relevant sales amounts will be recognised in the next or subsequent financial years.

Projects to be launched soon

A site at **Nos. 8-10A Mosque Street**, Mid-Levels, will be developed into a 29-storey (including lower ground floor) boutique residential tower with a gross floor area of approximately 34,000 square feet. Adjacent to SOHO area and Lan Kwai Fong, it is in close proximity to the Central-Mid-Levels Escalator, with convenient access to the central business district. Superstructure work is almost finalised. Subsequent to the end of the Year, the project has been officially named as **Central 8**, and the pre-sale has been launched.

A prime residential site at **Tuen Mun Town Lot No. 490, Tai Lam**, Tuen Mun, will be developed into 8 luxurious detached houses with sea views, encompassing a gross floor area of approximately 29,000 square feet. The occupation permit has been obtained and the project is expected to be fully completed in 2020. The sales activities will commence thereafter. With close proximity to new transportation infrastructure such as Hong Kong-Shenzhen Western Corridor and the Hong Kong-Zhuhai-Macau Bridge, the project has convenient access to the cities in the Greater Bay Area. It is also close to the prestigious Harrow International School.

A 40% owned signature luxury residential project on Island South, **Rural Building Lot No. 1198, Shouson Hill**, boasts a gross floor area of approximately 88,000 square feet. In proximity to Aberdeen Tunnel and a network of prestigious schools, the site will be developed into 15 low-density luxury villas, complemented by comprehensive auxiliary facilities. The occupation permit has been obtained and the project is expected to be fully completed in 2020. It will soon be launched to the market.

Other projects under development

With the successful extension of MTR to Kennedy Town, it becomes a popular urban area in Hong Kong Island. The site at **Nos. 24-26A, Davis Street**, Kennedy Town, will be redeveloped into a 22-storey residential and retail tower, and is planned to be completed in 2022. The pre-sale is expected to be launched in 2021.

The site at *Nos. 20-26 Old Bailey Street & No. 11 Chancery Lane*, Mid-Levels, 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 project is planned to be completed in 2022.

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 58,000 square feet. The location has convenient access to Hong Kong Jockey Club and Hong Kong Sanatorium & Hospital. Demolition work has completed and the redevelopment project is planned to be completed in 2022.

The existing building at *Nos. 24-30 Bonham Road*, Mid-Levels, will be demolished and redeveloped into a 27-storey residential complex with a gross floor area of approximately 104,000 square feet. Its target completion is in 2023. Close to railway network, it is just 5 minutes walk away from the Sai Ying Pun MTR station.

The existing buildings at *Nos. 74-80 Old Main Street Aberdeen*, Aberdeen, will be demolished and redeveloped into a 23-storey residential and retail building with a gross floor area of approximately 38,000 square feet. Located in Aberdeen town centre, it is conveniently accessed by a variety of public transport. The redevelopment project is planned to be completed in 2023.

Another redevelopment project is at *No. 127 Caine Road*, Mid-Levels. It is planned to be redeveloped into a 22-storey residential and retail tower with a gross floor area of approximately 25,000 square feet. It is anticipated to be completed in 2024. 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.

Hotel and Hotel Related Operations

Reflecting the Group's dedication to developing hospitality business, *Emperor Hotels Group* has been established to cover several hotels and serviced apartments in Hong Kong and Macau. In Hong Kong, it includes *The Emperor Hotel*, *The Unit Serviced Apartments*, and *MORI MORI Serviced Apartments*. In Macau, it includes *Grand Emperor Hotel* and *Inn Hotel Macau*, where revenues from hotel and gaming operations have been consolidated within the Group.

– *Hong Kong*

The Emperor Hotel, a 29-storey hotel in Wan Chai, offers 299 guest rooms together with leisure, dining and parking facilities. With a gross floor area of approximately 115,000 square feet, it is a signature hotel project under *Emperor Hotels Group*, which can further enhance brand recognition in the hospitality segment.

The Unit Serviced Apartments, a 21-storey, 68-unit block in Happy Valley, is a highly sought-after residence given its ease of access to the central business district. The area is vibrant, conveniently located near Hong Kong's commercial districts, and affords easy access to Hong Kong Jockey Club and Hong Kong Stadium for international sports events, and Hong Kong Sanatorium & Hospital for medical check-ups, helping to ensure solid short-term leasing demand.

Situated at the vibrant junction of Wan Chai and Causeway Bay, *MORI MORI Serviced Apartments* provides 18 stylish serviced apartments for expats, MICE visitors, business travellers and overseas professionals, on short-and long-term leases. With state-of-the-art facilities and professional customer services, *MORI MORI Serviced Apartments* redefines the contemporary way of life.

– *Macau*

Grand Emperor Hotel is another of the Group's flagship projects, located on the Macau Peninsula. With a gross floor area of approximately 655,000 square feet, it is a 26-storey hotel with 311 exquisite guest rooms, fine dining restaurants and bars, as well as gaming facilities. It has won an array of prestigious industry awards.

Inn Hotel Macau is a 17-storey hotel with a gross floor area of approximately 209,000 square feet and 287 guest rooms. *Inn Hotel Macau* creates a comfortable experience, catering to the lifestyles of both leisure and business travellers. Through extending coverage from the Peninsula to Taipa, it enables the Group to fully capture the potential of Macau's hospitality market.

OUTLOOK

Pandemic coupled with the stock market volatility and various unfavourable economic indicators, the property investment sentiment has been hit hard. Nevertheless, the Group expects the land supply shortage, underlying demand for residential units and the low interest rate environment will all help in supporting the residential property market. The Group has established a solid pipeline in residential properties which will be completed in the coming years. These projects will provide promising contributions in the near to mid-term. Although a tough business environment is expected to last for some time, the Group remains cautiously optimistic regarding the long-term development of the local residential property market.

Supported by the expansion of the middle income group and more comprehensive transportation linkages, Hong Kong remains one of the hottest shopping destinations in Asia, and is among the best placed to benefit from a recovery in consumption sentiment, particularly among the mainland China tourists and shoppers who have been among the biggest contributors to the local economy. The Group is confident regarding the long-term development of the retail and hospitality industry.

Especially in these difficult times, the Group will closely monitor the market situation and adjust company strategies in response to market changes. In order to sharpen its competitiveness, the Group continues to acquire commercial buildings that have great potential, improve our investment property portfolio by undertaking urban renewal projects, and structure enhancement and tenants remix programs, with a view to secure sufficient land bank for future developments. Looking ahead, the Group will move forward by exploring new market opportunities, and hence creating value for both shareholders and society.

EVENT AFTER REPORTING PERIOD

Subsequent to the Year, the Pandemic was still occurring around the world, causing severe disruptions to global economic and travel activities. Despite both nationwide and regional economic activities have gradually resumed, home buyers' confidence was inevitably dented, impacting both commercial and retail rental markets, as well as suppressing the demand for hospitality. The local property market is therefore severely affected. A tough business environment is expected to persist for some time as a market turnaround is yet to be seen. Since the development and duration of the Pandemic is still uncertain, the Group cannot reasonably quantify its financial impact at the date of this annual results announcement. However, a prolonged Pandemic may have a material effect on the Group's consolidated results of operations, cash flows and financial position for the year ending 31 March 2021.

EMPLOYEES AND REMUNERATION POLICY

The total cost incurred for staff, including Directors' emoluments, was HK\$681.9 million during the Year (2019: HK\$725.6 million). The number of staff was 1,415 as at 31 March 2020 (2019: 1,715). 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 incentives or rewards to staff, the Company has adopted a share option scheme, particulars of which will be set out in the section headed "Share Options" of the Company's annual report.

ASSETS PLEDGED

As at 31 March 2020, assets with carrying value of HK\$44,534.8 million (2019: HK\$48,690.3 million) were pledged as security for banking facilities.

FINAL DIVIDEND

The Board is pleased to recommend the payment of a final dividend of HK\$0.035 (2019: HK\$0.063) per share (“Final Dividend”) for the Year, amounting to approximately HK\$128.7 million (2019: HK\$231.7 million), subject to the approval of the shareholders at the forthcoming annual general meeting of the Company (“AGM”) to be held on 18 August 2020 (Tuesday). If being approved, the Final Dividend will be paid on 11 September 2020 (Friday) to shareholders whose names appear on the register of members of the Company on 28 August 2020 (Friday).

CLOSURE OF REGISTER OF MEMBERS

For ascertaining shareholders’ right to attend and vote at AGM

Latest time to lodge transfers	4:30 p.m. on 12 August 2020 (Wednesday)
AGM	18 August 2020 (Tuesday)

For ascertaining shareholders’ entitlement to the proposed Final Dividend

Latest time to lodge transfers	4:30 p.m. on 26 August 2020 (Wednesday)
Book close dates	27 August 2020 (Thursday) to 28 August 2020 (Friday) (both days inclusive)
Record date	28 August 2020 (Friday)
Final Dividend payment date	11 September 2020 (Friday)

In order to qualify for the right to attend and vote at the AGM and for the entitlement to the proposed Final Dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company’s Hong Kong Branch Share Registrar, Tricor Secretaries Limited, at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong for registration before the above respective latest time.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the Year as set out in the preliminary announcement have been agreed by the Group’s auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group’s audited consolidated financial statements for the Year. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

REVIEW OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR

The Audit Committee of the Company, which comprises the three Independent Non-Executive Directors of the Company, had reviewed the audited consolidated financial statements for the Year in conjunction with the Group's auditor, Messrs. Deloitte Touche Tohmatsu. Based on this review and discussion with the management of the Company, the Audit Committee was satisfied that the audited consolidated financial statements were prepared in accordance with applicable accounting standards and fairly presented the Group's financial position as at 31 March 2020 and annual results for the Year.

CORPORATE GOVERNANCE

Corporate Governance Code

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

Model Code for Securities Transactions

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

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

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

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

PUBLICATION OF THE ANNUAL RESULTS AND ANNUAL REPORT

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

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

Hong Kong, 23 June 2020

As at the date hereof, the Board comprises:

Non-executive Director:

Ms. Luk Siu Man, Semon

Executive Directors:

Mr. Wong Chi Fai

Ms. Fan Man Seung, Vanessa

Mr. Cheung Ping Keung

Mr. Yeung Ching Loong, Alexander

Independent Non-executive Directors:

Ms. Cheng Ka Yu

Mr. Wong Tak Ming, Gary

Mr. Chan Hon Piu