

Emperor International Holdings Limited (“Company”) and its subsidiaries (collectively referred to as “Group”) principally engages in property investment, property development and hospitality businesses with its major investment property portfolio located in the Greater China and the United Kingdom.

RESULTS

Benefiting from the recoveries of the tourism and hospitality sectors, the Group’s total revenue increased by 45.5% to HK\$1,761.8 million (2023: HK\$1,210.7 million) during the year ended 31 March 2024 (“Year”). The Group’s rental income increased slightly to HK\$879.3 million (2023: HK\$870.8 million), representing 49.9% (2023: 71.9%) of the total revenue. Revenue from the sales of property development increased by 78.9% to HK\$141.8 million (2023: HK\$79.2 million), accounting for 8.1% (2023: 6.6%) of the total revenue. Revenue from the hospitality segment significantly increased by 184.2% to HK\$740.7 million (2023: HK\$260.7 million), accounting for 42.0% (2023: 21.5%) of the total revenue.

Gross profit increased by 73.2% to HK\$1,022.0 million (2023: HK\$590.0 million). Excluding the gain on disposal of a subsidiary, fair value changes and impairment loss and the relevant deferred taxes, as well as finance costs, the underlying profit attributable to owners of the Company increased to HK\$575.9 million (2023: HK\$345.4 million). Due to the increase in total revenue, the loss for the Year attributable to the owners of the Company narrowed to HK\$2,046.7 million (2023: HK\$2,142.0 million). Basic loss was HK\$0.56 (2023: HK\$0.58) per share. The Board recommended a payment of a final dividend of HK\$0.003 (2023: HK\$0.003) per share. Together with the interim dividend of HK\$0.003 (2023: HK\$0.005) per share, the total dividends for the Year are HK\$0.006 (2023: HK\$0.008) per share.

BUSINESS REVIEW

Based in Hong Kong, the Group principally engages in property investment, property development and hospitality businesses with its major investment property portfolio located in the Greater China and the United Kingdom.

Rental Income

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

Hong Kong

Hong Kong accounted for approximately 50% of the Group's total gross floor area of investment properties currently for lease. As at 31 March 2024, the occupancy rate of the Group's investment properties in Hong Kong was over 90%.

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

GF Tower, a Grade-A office building at No. 81 Lockhart Road, Wan Chai, with a gross floor area of approximately 126,600 square feet, was leased to a single tenant on an en bloc basis during the Year. By undertaking a redevelopment programme, the Group has maximised the rental income, presenting significant value-creation opportunities to the Group.

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

During the Year, the Group completed the disposal of **Fitfort Shopping Arcade** in North Point, at a total adjusted consideration of approximately HK\$1,944.2 million. The property was 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. The net proceeds of approximately HK\$1,146.9 million helped strengthening the Group's financial position for future investment opportunities, and enhancing its investment portfolio for higher returns.

Mainland China

Located in Chang'an Avenue East, Beijing, **Emperor Group Centre Beijing** is a 28-storey (excluding three-storey basement with parking facilities) Grade-A office tower and premier shopping mall with premium cinema, encompassing a gross floor area of approximately 1,062,000 square feet. It becomes an important part of Yong'anli CBD and marked a major milestone for the Group in developing upscale commercial projects in Mainland China. It has therefore attracted reputable office tenants, multiple international superior jewellery, watch, and high-quality lifestyle product brands, as well as special trendy food and beverage tenants from different countries. **Emperor Group Centre Beijing** gives full play to advanced structural systems, intelligent technology, and energy saving technology to create a new commercial image with a balance between environment and urban economic development. During the Year, **Emperor Group Centre Beijing** was awarded LEED Platinum certification v4.1 Operations and Maintenance (Existing Buildings) standards by the U.S. Green Building Council, which is a significant endorsement of the Group's commitment to implementing green building practices in property development, and commends the Group's outstanding performance in property operations and maintenance.

Macau

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

London

The Group owns a 7-storey (including basement) retail and office building at **Nos. 181-183**, a 9-storey retail and office building at **Nos. 25-27** as well as **Ampersand Building** at **Nos. 111-125 on Oxford Street**, London. **Ampersand Building** is an 8-storey (including basement) composite building comprising retail spaces, office premises and apartments under lease with a gross floor area of approximately 113,000 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.

Property Sales

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

Projects completed and launched for sale

Located at No. 8 Mosque Street, Mid-Levels, **Central 8** is a 29-storey (including lower ground floor) boutique residential tower, offering 99 units with studio to 2-bedroom layouts. Adjacent to SOHO area and Lan Kwai Fong, it is in close proximity to the Central-Mid-Levels Escalator, with convenient access to the central business district. As at 31 March 2024, 67 units were sold and 7 units were contracted. Subsequent to the Year, an additional of 10 units have been contracted.

Seaside Castle is a prime residential project located at No. 9 Ching Lai Road, Tai Lam, Tuen Mun which comprises 8 luxurious detached houses with sea views, encompassing a project saleable area of approximately 32,000 square feet. With close proximity to new transportation infrastructure such as Hong Kong-Shenzhen Western Corridor and the Hong Kong-Zhuhai-Macau Bridge, the project has convenient access to the cities in the Greater Bay Area. It is also close to the prestigious Harrow International School. As at 31 March 2024, 3 houses were sold.

No. 15 Shouson, located in Southern District, Hong Kong Island, is a signature luxury residential project boasting a project saleable area of approximately 97,100 square feet. In proximity to Aberdeen Tunnel and a network of prestigious schools, the site has been developed into 15 low-density luxury villas, complemented by comprehensive auxiliary facilities. The Group owns a 50% stake in this project. As at 31 March 2024, 2 houses were sold and 1 house was contracted. Subsequent to the Year, an additional of 1 house has been contracted.

Other projects under development

SouthSky is a 23-storey residential and retail building, offering 110 units with a project saleable area of approximately 38,800 square feet. Located in the Aberdeen town centre, it is conveniently accessed by a variety of public transport and is within the one-hour living circle of the Greater Bay Area covering Guangdong-Hong Kong and Macau. It has been launched to the market by means of pre-sale since October 2023 with an overwhelming market response. As at 31 March 2024, 70 units were contracted with relevant sales contact sum of over HK\$440.0 million. Subsequent to the Year, an additional of 9 units have been contracted. The project is scheduled for completion in 2025.

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 project saleable area of approximately 47,400 square feet. Happy Valley is a traditional luxury residential location on Hong Kong Island, with easy access to major shopping and business districts such as Causeway Bay and Wan Chai, and in close proximity to major facilities such as the Hong Kong Jockey Club, Hong Kong Sanatorium & Hospital and Hong Kong Stadium. Foundation works have been completed and superstructure works are in progress. The project is scheduled for pre-sale in 2024 and the entire redevelopment is expected to be completed in 2025 or after.

The existing buildings at **Nos. 24-30 Bonham Road**, Mid-levels, have been demolished and will be redeveloped into a 27-storey residential complex with a project saleable area of approximately 91,100 square feet. It is just 5-minute walk away from the Sai Ying Pun MTR station. The redevelopment is scheduled for completion in 2025 or after.

Hotel and Hotel Related Operations

As at 31 March 2024, Emperor Entertainment Hotel Limited (Hong Kong stock code: 296), a subsidiary of the Group engaging in the provision of hospitality and entertainment services, covered a total of 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***, ***The Unit Happy Valley*** and ***The Unit Davis*** – in Hong Kong;
- ***Grand Emperor Hotel*** and ***Inn Hotel*** in Macau.

The hospitality and entertainment services income from the above-mentioned hotels and serviced apartments was consolidated into the Group during the Year.

OUTLOOK

Subsequent to the Year, especially after removal of property cooling measures and relaxation of mortgage rules, the momentum of the local property market has been picking up and property developers have accelerated the launch of new residential units. The New Capital Investment Entrant Scheme as well as various talent schemes introduced by the local government have attracted a huge number of applicants, covering talents and their families from Mainland China and overseas, resulting in a rise in local housing demand. With a steady interest rate in the near term, the Group remains cautiously optimistic regarding the outlook for the residential property market.

Supported by the government's initiatives and promotional efforts, various international activities and mega events will be rolled out for enhancing Hong Kong's offerings and attractions, which can strengthen Hong Kong's position as an international tourist destination. The arrivals of talents from various talent schemes and their families will become a new source of spending power in the local market, despite Hong Kong residents more frequently travelling to other parts of the Greater Bay Area during weekends. Particularly in light of the expanding middle class and further expansion of the Individual Visit Scheme, the Group believes that Mainland China's outbound tourism will continue growing, and remains positive regarding the market outlook for retail leasing and hospitality services.

FINANCIAL INFORMATION

Liquidity and Financial Resources

As at 31 March 2024, the Group's net asset value and net asset value per share amounted to HK\$21,607.9 million (2023: HK\$23,887.2 million) and HK\$5.9 (2023: HK\$6.5) per share, respectively.

The Group had cash, bank balances and bank deposits amounted to HK\$1,494.3 million (2023: HK\$2,367.9 million) as at 31 March 2024. The total external borrowings (excluding payables) was approximately HK\$20,213.3 million (2023: HK\$22,444.0 million), and the Group's net gearing ratio (measured by net debts as a percentage to its total asset value) was 40.2% (2023: 39.3%).

To finance its operations, the Group utilises cash flow generated from business operations and maintains multiple channels of funding sources including bank borrowings and bond issuances. As at 31 March 2024, the outstanding principal of the medium-term notes issued by the Group was HK\$379.8 million (2023: 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 Group's bank balances and cash were denominated in Hong Kong dollar, Renminbi ("RMB"), Macau Pataca and Sterling Pound ("Pound"). A small portion of the Group's bank borrowings were denominated in RMB and Pound, the Group's foreign exchange risk caused by markets fluctuations in RMB and Pound was insignificant. The Group closely monitors its overall foreign exchange exposure and will adopt appropriate measures to mitigate the currency risks, if necessary.

Assets Pledged

As at 31 March 2024, assets with carrying value of HK\$34,549.9 million (2023: HK\$37,056.8 million) were pledged by the Group as security for banking facilities.