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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 2019

	For the year ended 31 March		Changes
	2019	2018	
	<i>HK\$'000</i>	<i>HK\$'000</i>	
Total revenue	4,352,386	3,148,894	+38.2%
– Rental income	1,107,820	1,154,572	-4.0%
– Property sales	1,695,772	395,180	+329.1%
– Hotel and hotel related operations	1,548,794	1,599,142	-3.1%
Gross profit	2,536,482	2,302,452	+10.2%
Fair-value gain on investment properties	1,749,284	2,868,417	-39.0%
Profit attributable to the owners of the Company			
– Underlying ¹	1,495,801	617,737	+142.1%
– Reported	3,136,289	3,371,517	-7.0%
Basic earnings per share	HK\$0.85	HK\$0.92	-7.6%
Total dividends per share	HK\$0.11	HK\$0.108	+1.9%

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

* For identification purpose only

Emperor International Holdings Limited
 2018/2019 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 2019 (the “Year”) together with the comparative figures for the corresponding year in 2018 as set out below:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 March 2019

	<i>Notes</i>	2019 HK\$'000	2018 <i>HK\$'000</i>
Revenue	3	4,352,386	3,148,894
Cost of properties sales		(1,031,389)	(110,323)
Cost of hotel and hotel related operations		(635,051)	(617,242)
Direct operating expenses in respect of leasing of investment properties		(149,464)	(118,877)
Gross profit		2,536,482	2,302,452
Other income		148,280	100,665
Fair value changes of investment properties		1,749,284	2,868,417
Other gains and losses	5	720,570	116,193
Impairment allowance for trade receivables		(35,826)	–
Selling and marketing expenses		(426,110)	(396,988)
Administrative expenses		(522,583)	(522,944)
Finance costs		(715,627)	(632,549)
Share of result of an associate		38,836	(264)
Share of result of a joint venture		(72)	(35)
Profit before taxation	6	3,493,234	3,834,947
Taxation charge	7	(165,472)	(212,909)
Profit for the year		<u>3,327,762</u>	<u>3,622,038</u>
Profit for the year attributable to:			
Owners of the Company		3,136,289	3,371,517
Non-controlling interests		191,473	250,521
		<u>3,327,762</u>	<u>3,622,038</u>
Earnings per share	9		
Basic		<u>HK\$0.85</u>	<u>HK\$0.92</u>

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

For the year ended 31 March 2019

	2019	2018
	HK\$'000	HK\$'000
Profit for the year	3,327,762	3,622,038
Other comprehensive (expense) income		
<i>Item that will not be reclassified subsequently 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	(660,960)	944,711
– an associate	(5,380)	4,315
Fair value change on hedging instruments in cash flow hedge	(5,331)	(7,236)
Fair value change of debt instruments at fair value through other comprehensive income	329	–
Reclassification adjustments for amounts transferred to profit or loss upon disposal of debt instruments at fair value through other comprehensive income	854	–
Fair value change on available-for-sale investments	–	(1,390)
Release of exchange reserve upon disposal of a subsidiary	–	(964)
Other comprehensive (expense) income for the year	(659,547)	939,436
Total comprehensive income for the year	<u>2,668,215</u>	<u>4,561,474</u>
Total comprehensive income for the year attributable to:		
Owners of the Company	2,478,246	4,311,799
Non-controlling interests	189,969	249,675
	<u>2,668,215</u>	<u>4,561,474</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2019

	Notes	2019 HK\$'000	2018 HK\$'000
Non-current assets			
Investment properties		49,101,784	49,154,763
Property, plant and equipment		3,278,973	3,966,945
Deposits paid for acquisition of investment properties/property, plant and equipment		50,321	76,703
Receivables related to a development project		173,112	185,328
Prepaid lease payments		513,822	529,423
Debt instruments at fair value through other comprehensive income		372,025	–
Available-for-sale investments		–	262,965
Interest in an associate		113,485	142,416
Interest in a joint venture	10	735,374	651,720
Goodwill		56,683	56,683
Other assets		4,092	4,092
Pledged bank deposits		–	31,035
Derivative financial instruments		11,415	16,126
		<u>54,411,086</u>	<u>55,078,199</u>
Current assets			
Inventories		14,687	14,995
Properties held for sale	11	405,032	73,848
Properties under development for sale		3,257,951	3,443,731
Prepaid lease payments		18,102	17,832
Trade and other receivables	12	1,544,129	1,551,271
Debt instruments at fair value through other comprehensive income		96,783	–
Available-for-sale investments		–	160,109
Taxation recoverable		43,073	9,667
Deposit in designated bank account for development properties		9,696	10,276
Pledged bank deposits		44,040	334
Short-term bank deposits		300,662	475,516
Bank balances and cash		3,643,816	3,374,884
		<u>9,377,971</u>	<u>9,132,463</u>
Assets classified as held for sale		455,147	43,172
Total current assets		<u>9,833,118</u>	<u>9,175,635</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

	<i>Notes</i>	2019 <i>HK\$'000</i>	2018 <i>HK\$'000</i>
Current liabilities			
Trade and other payables	13	1,146,091	1,931,585
Contract liabilities		7,500	–
Amount due to an associate		33,652	–
Amounts due to related companies		484,436	399,318
Amounts due to non-controlling interests of a subsidiary		46,200	107,600
Taxation payable		407,229	453,852
Unsecured notes – due within one year		1,298,357	862,989
Bank borrowings – due within one year		<u>2,968,580</u>	<u>4,505,683</u>
		6,392,045	8,261,027
Liabilities associated with assets classified as held for sale		<u>412,875</u>	<u>86,665</u>
Total current liabilities		<u>6,804,920</u>	<u>8,347,692</u>
Net current assets		<u>3,028,198</u>	<u>827,943</u>
Total assets less current liabilities		<u>57,439,284</u>	<u>55,906,142</u>
Non-current liabilities			
Amounts due to related companies		744,792	2,304,908
Unsecured notes – due after one year		4,622,690	5,913,099
Bank borrowings – due after one year		15,479,807	12,685,429
Deferred taxation		<u>2,234,155</u>	<u>2,244,126</u>
		23,081,444	23,147,562
		<u>34,357,840</u>	<u>32,758,580</u>
Capital and reserves			
Share capital		36,775	36,775
Reserves		<u>31,798,299</u>	<u>29,418,598</u>
Equity attributable to owners of the Company		31,835,074	29,455,373
Non-controlling interests		<u>2,522,766</u>	<u>3,303,207</u>
		<u>34,357,840</u>	<u>32,758,580</u>

NOTES:

1. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). 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”), available-for-sale (“AFS”) investments 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 2018.

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 issued by the HKICPA for the first time in the current year:

HKFRS 9	Financial Instruments
HKFRS 15	Revenue from Contracts with Customers and the related Amendments
HK(IFRIC) – Int 22	Foreign Currency Transactions and Advance Consideration
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts
Amendments to HKAS 28	As part of the Annual Improvements to HKFRSs 2014–2016 Cycle
Amendments to HKAS 40	Transfers of Investment Property

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

HKFRS 15 Revenue from Contracts with Customers

The Group has applied HKFRS 15 for the first time in the current year. HKFRS 15 superseded HKAS 18 Revenue, HKAS 11 Construction Contracts and the related interpretations.

The Group recognises revenue from the following major sources:

- sales of properties
- hotel and hotel related operations

The Group has applied HKFRS 15 retrospectively with the cumulative effect of initially applying this standard recognised at the date of initial application, i.e. 1 April 2018. Any difference at the date of initial application is recognised in the opening retained profits (or other components of equity, as appropriate) and comparative information has not been restated. Furthermore, in accordance with the transition provisions in HKFRS 15, the Group has elected to apply the standard retrospectively only to contracts that are not completed at 1 April 2018. Accordingly, certain comparative information may not be comparable as comparative information was prepared under HKAS 18 and HKAS 11 and the related interpretations.

Summary of effects arising from initial application of HKFRS 15

The following adjustments were made to the amounts recognised in the consolidated statement of financial position at 1 April 2018. Line items that were not affected by the changes have not been included.

	Carrying amounts previously reported at 31 March 2018 HK\$'000	Reclassification HK\$'000	Carrying amounts under HKFRS 15 at 1 April 2018 HK\$'000
Trade and other payables	1,931,585	(463,402)	1,468,183
Contract liabilities	–	463,402	463,402
	<u> </u>	<u> </u>	<u> </u>

As at 1 April 2018, deposits received from customers of HK\$463,402,000 in respect of sales of properties previously included in trade and other payables were reclassified to contract liabilities.

The following table summarises the impact of applying HKFRS 15 on the Group's consolidated statement of financial position as at 31 March 2019 for each of the line items affected. Line items that were not affected by the changes have not been included.

Impact on the consolidated statement of financial position

	As reported HK\$'000	Reclassification HK\$'000	Amounts without application of HKFRS 15 HK\$'000
Trade and other payables	1,146,091	7,500	1,153,591
Contract liabilities	7,500	(7,500)	–
	<u> </u>	<u> </u>	<u> </u>

As at 31 March 2019, deposits received from customers of HK\$7,500,000 in respect of sales of properties were classified as contract liabilities and the amount would have been included in trade and other payables without application of HKFRS 15.

The Directors reviewed and assessed the effect of application of HKFRS 15 and considered that there is no material impact on the timing and amounts of revenue recognised in current year and retained profits as at 1 April 2018.

HKFRS 9 Financial Instruments

In the current year, the Group has applied HKFRS 9 Financial Instruments and the related consequential amendments to other HKFRSs. HKFRS 9 introduces new requirements for 1) the classification and measurement of financial assets and financial liabilities, 2) expected credit losses (“ECL”) for financial assets, lease receivables and financial guarantee contracts and 3) general hedge accounting.

The Group has applied HKFRS 9 in accordance with the transition provisions set out in HKFRS 9, i.e. applied the classification and measurement requirements (including impairment under ECL model) retrospectively to instruments that have not been derecognised as at 1 April 2018 (date of initial application) and has not applied the requirements to instruments that have already been derecognised as at 1 April 2018. The difference between carrying amounts as at 31 March 2018 and the carrying amounts as at 1 April 2018 are recognised in the opening retained profits and other components of equity, without restating comparative information.

Accordingly, certain comparative information may not be comparable as comparative information was prepared under HKAS 39 Financial Instruments: Recognition and Measurement.

In addition, the Group applied the hedge accounting prospectively.

Summary of effects arising from initial application of HKFRS 9

The table below illustrates the classification and measurement of AFS investments and debt instruments at FVTOCI under HKFRS 9 and HKAS 39 at the date of initial application, 1 April 2018.

	AFS investments HK\$'000	Debt instruments at FVTOCI HK\$'000
Closing balance at 31 March 2018 – HKAS 39	423,074	–
Effect arising from initial application of HKFRS 9: Reclassification		
From AFS investments to debt instruments at FVTOCI (<i>Note a</i>)	<u>(423,074)</u>	<u>423,074</u>
Opening balance at 1 April 2018 – HKFRS 9	<u>–</u>	<u>423,074</u>

Notes:

(a) AFS investments

From AFS investments to debt instruments at FVTOCI

Listed bonds with a fair value of HK\$423,074,000 were reclassified from AFS investments to debt instruments at FVTOCI, as these investments are held within a business model whose objective is achieved by both collecting contractual cash flows and selling of these assets and the contractual cash flows of these investments are solely payments of principal and interest on the principal amount outstanding. Related fair value losses of HK\$544,000 continued to accumulate in the investments revaluation reserve as at 1 April 2018.

(b) Impairment under ECL model

The Group applies the HKFRS 9 simplified approach to measure ECL which uses a lifetime ECL for trade receivables. The balances are assessed individually.

ECL for other financial assets at amortised cost, including receivables related to a development project, other receivables, deposit in designated bank account for development properties, pledged bank deposits, short-term bank deposits and bank balances are assessed on 12 months expected credit loss (“12m ECL”) basis as there had been no significant increase in credit risk since initial recognition.

All of the Group’s debt instruments at FVTOCI are listed bonds that are graded in high ratings among rating agencies. Therefore, these investments are considered to be low credit risk investments and the loss allowance is assessed on 12m ECL basis.

As at 1 April 2018, impairment allowance was insignificant and thus was not provided against the retained profits.

(c) Hedge accounting

The Group applies the hedge accounting requirements of HKFRS 9 prospectively. At the date of the initial application, hedging relationships that qualified for hedge accounting in accordance with HKAS 39 are regarded as continuing hedging relationship if all qualifying criteria under HKFRS 9 are met, after taking into account any rebalancing of the hedging relationship on transition.

The initial application of HKFRS 9 in the current year has had no material effect on the amounts reported and/or disclosures relating to the Group’s hedging instruments as set out in these consolidated financial statements.

The Group has not applied any new and amendments to HKFRSs that have been issued but are not yet effective for the current accounting period.

3. REVENUE

For the year ended 31 March 2019

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

	<i>HK\$'000</i>
Hotel and hotel related operations:	
Recognised over time:	
Service income from gaming operations	1,136,856
Hotel room income	250,316
Others	4,283
	<hr/>
	1,391,455
Recognised at a point in time:	
Food and beverage sales	154,196
Others	3,143
	<hr/>
	157,339
	<hr/>
	1,548,794
Sales of properties recognised at a point in time	<hr/> 1,695,772
Revenue from contracts with customers	3,244,566
Rental income from investment properties	<hr/> 1,107,820
Total	<hr/> 4,352,386 <hr/>

For the year ended 31 March 2018

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

	<i>HK\$'000</i>
Hotel and hotel related operations:	
Service income from gaming operations	1,253,317
Hotel room income	187,826
Food and beverage sales	147,037
Others	10,962
	<hr/>
	1,599,142
Sales of properties	395,180
Rental income from investment properties	<hr/> 1,154,572
Total	<hr/> 3,148,894 <hr/>

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 "Executive Directors"), the chief operating decision makers, 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 Executive Directors 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.

Information regarding the above segments is reported below:

Business segments

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)
Gain on disposal of subsidiaries				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 changes of investment properties	1,749,284	–	–	1,749,284
Impairment allowance for trade receivables	703	–	35,123	35,826
Loss on disposal of property, plant and equipment	–	–	184	184
Release of prepaid lease payments	–	–	18,104	18,104

Amounts regularly provided to the Executive Directors 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	42,134
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For the year ended 31 March 2018	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>1,154,572</u>	<u>395,180</u>	<u>1,599,142</u>	<u>3,148,894</u>
Segment results	<u>3,878,054</u>	<u>275,559</u>	<u>301,577</u>	4,455,190
Interest income				57,549
Gain on disposal of a subsidiary				79,061
Corporate expenses, net				(124,005)
Finance costs				(632,549)
Share of result of an associate				(264)
Share of result of a joint venture				<u>(35)</u>
Profit before taxation				3,834,947
Taxation charge				<u>(212,909)</u>
Profit for the year				<u>3,622,038</u>

Other information

Amounts included in the measure of segment results:

Allowance for doubtful debts	26	–	–	26
Depreciation of property, plant and equipment	–	6,372	145,474	151,846
Fair value changes of investment properties	2,868,417	–	–	2,868,417
Impairment loss on property, plant and equipment	–	–	75,825	75,825
Release of prepaid lease payments	–	–	17,832	17,832
Reversal of write-downs of properties under development for sale	–	45,722	–	45,722

Amounts regularly provided to the Executive Directors 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 35,593

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

Geographical information

The Group's operations are located in Hong Kong, the People's Republic of China (the "PRC"), Macau and 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, AFS investments, interest in an associate, interest in a joint venture, pledged bank deposits 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	
	2019	2018	2019	2018
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Hong Kong	2,671,096	1,327,298	34,017,454	34,424,675
The PRC	166,322	224,741	10,726,563	10,973,380
Macau	1,416,903	1,521,413	3,635,489	4,709,875
UK	98,065	75,442	4,626,169	3,680,679
	<u>4,352,386</u>	<u>3,148,894</u>	<u>53,005,675</u>	<u>53,788,609</u>

Information about major customers

During the year, revenue derived from one customer (2018: one) contributed over 10% of the total revenue of the Group's revenue amounted to HK\$1,139,510,000 (2018: HK\$1,256,266,000). The revenue is related to the hotel and hotel related operations.

5. OTHER GAINS AND LOSSES

	2019	2018
	HK\$'000	HK\$'000
Gain on disposal of subsidiaries (<i>Note 14</i>)	785,305	79,061
Net exchange (loss) gain	(64,735)	67,235
Impairment loss on property, plant and equipment (<i>Note a</i>)	–	(75,825)
Reversal of write-downs of properties under development for sale (<i>Note b</i>)	–	45,722
	<u>720,570</u>	<u>116,193</u>

Notes:

- (a) During the year ended 31 March 2018, impairment indicator of decline in asset's value due to business being suspended was noted in a subsidiary which was holding a hotel in Hong Kong. The Directors conducted an impairment assessment on the hotel properties, leasehold improvements and other assets by reviewing their recoverable amounts. An impairment loss of HK\$75,825,000 in respect of property, plant and equipment as at 31 March 2018 was recognised.
- (b) During the year ended 31 March 2018, the Directors reviewed the recoverability of the properties under development for sale with reference to the current market environment and reversed the previously recognised write-downs of HK\$45,722,000.

6. PROFIT BEFORE TAXATION

	2019 <i>HK\$'000</i>	2018 <i>HK\$'000</i>
Profit before taxation has been arrived at after charging:		
Depreciation of property, plant and equipment	175,632	187,439
Loss on disposal of debt instruments at FVTOCI	854	–
Loss on disposal of property, plant and equipment	184	–
Release of prepaid lease payments	18,104	17,832
and after crediting:		
Interest income from debt instruments at FVTOCI	30,282	–
Interest income from AFS investments	–	2,840
	<u> </u>	<u> </u>

7. TAXATION CHARGE

	2019 <i>HK\$'000</i>	2018 <i>HK\$'000</i>
Taxation charge comprises:		
<i>Current tax</i>		
Hong Kong Profits Tax	128,712	83,197
Macau Complementary Tax (“CT”)	40,545	50,082
UK Income Tax	1,332	2,104
The PRC Enterprise Income Tax	1,166	4,988
The PRC Capital Gains Tax	–	3,004
	<u> </u>	<u> </u>
	171,755	143,375
<i>Reversal of CT provision in prior years</i>	<u>(111,605)</u>	<u>(96,178)</u>
<i>(Over)underprovision in prior years</i>		
CT	(33)	714
Hong Kong Profits Tax	(598)	856
The PRC Enterprise Income Tax	(4,650)	–
	<u> </u>	<u> </u>
	(5,281)	1,570
<i>Deferred taxation</i>	<u>110,603</u>	<u>164,142</u>
	<u>165,472</u>	<u>212,909</u>

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the “Bill”) which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

The Directors considered the amount involved upon implementation of the two-tiered profits tax rates regime as insignificant to the consolidated financial statements. Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years.

The CT is calculated at the applicable rate of 12% of the estimated assessable profits for both years. Pursuant to the CT Law, the CT assessment on the estimated assessable profit in a year of assessment will lapse 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\$111,605,000 for the 2013 year of assessment (2018: HK\$96,178,000 for the 2012 year of assessment) accordingly.

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.

The PRC Capital Gains Tax was calculated at the rate prevailing in the relevant jurisdiction during the prior year.

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

8. DIVIDENDS

	2019 <i>HK\$'000</i>	2018 <i>HK\$'000</i>
Dividends recognised as distribution during the year:		
Final dividend paid in respect of 2018: HK\$0.061 per share (2018: HK\$0.058 per share in respect of 2017)	224,330	213,298
Interim dividend paid in respect of 2019: HK\$0.047 per share (2018: HK\$0.047 per share in respect of 2018)	172,845	172,845
	397,175	386,143

The final dividend of HK\$0.063 per share in respect of the year ended 31 March 2019 (2018: final dividend of HK\$0.061 per share) amounting to approximately HK\$231,685,000 has been proposed by the Directors and is subject to approval by the shareholders in the forthcoming annual general meeting.

9. EARNINGS PER SHARE

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

	2019 <i>HK\$'000</i>	2018 <i>HK\$'000</i>
Earnings		
Earnings (profit for the year attributable to owners of the Company) for the purpose of basic earnings per share	<u>3,136,289</u>	<u>3,371,517</u>
	2019	2018
Number of shares		
Weighted average number of ordinary shares in issue for the purpose of basic earnings per share	<u>3,677,545,667</u>	<u>3,677,545,667</u>

Diluted 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 2019, the Group has given a corporate guarantee of HK\$941,600,000 (2018: HK\$941,600,000) to a bank in respect of banking facilities granted to Talent Charm, of which HK\$642,400,000 (2018: HK\$584,000,000) has been utilised. In the opinion of the Directors, the fair value of the guarantee is not significant.

11. PROPERTIES HELD FOR SALE

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

	2019 <i>HK\$'000</i>	2018 <i>HK\$'000</i>
Hong Kong	404,570	73,356
The PRC	<u>462</u>	<u>492</u>
	<u>405,032</u>	<u>73,848</u>

12. TRADE AND OTHER RECEIVABLES

An analysis of trade and other receivables is as follows:

	2019 <i>HK\$'000</i>	2018 <i>HK\$'000</i>
Trade receivables	107,645	129,819
Chips on hand	122,888	151,712
Other receivables	416,852	514,476
Deposits and prepayments	896,744	755,264
	<u>1,544,129</u>	<u>1,551,271</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:

	2019 <i>HK\$'000</i>	2018 <i>HK\$'000</i>
0 – 30 days	91,339	107,600
31 – 90 days	1,287	5,371
91 – 180 days	1,335	2,504
Over 180 days	13,684	14,344
	<u>107,645</u>	<u>129,819</u>

Chips on hand represent chips issued by a gaming concessionaire in Macau which can be exchanged into their cash amounts.

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 trade 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.

Included in other receivables are amounts due from related companies of HK\$50,988,000 (2018: HK\$42,854,000). These related companies are indirectly controlled by Albert Yeung Holdings Limited which is held by STC International Limited being the trustee of The Albert Yeung Discretionary Trust (the "AY Trust") (Dr. Yeung Sau Shing, Albert is the founder of the AY Trust and a 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:

	2019 <i>HK\$'000</i>	2018 <i>HK\$'000</i>
0 – 90 days	45,636	36,798
91 – 180 days	165	62
Over 180 days	37	41
	<hr/>	<hr/>
	45,838	36,901
Amount due to a shareholder of an associate (<i>Note a</i>)	1,349	49,222
Construction payables and accruals	509,324	581,687
Rental deposits received	325,104	363,311
Other payables and accruals	264,476	280,321
Deposits received for sales of properties (<i>Note b</i>)	–	463,402
Payables for acquisition of AFS investments	–	156,741
	<hr/>	<hr/>
	1,146,091	1,931,585
	<hr/> <hr/>	<hr/> <hr/>

Notes:

- (a) The amount due to a shareholder of an associate is unsecured, repayable on demand and interest free (2018: interest at 4.51% per annum).
- (b) As at and commencing from 1 April 2018, deposits received for sales of properties of HK\$463,402,000 included in trade and other payables were reclassified to contract liabilities resulting from the application of HKFRS 15.

14. DISPOSAL OF SUBSIDIARIES

During the Year, the Group had disposed the following subsidiaries:

- (a) On 27 August 2018, Emperor Property Investment Limited (“Emperor Property”) 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 Emperor Property to a company indirectly controlled by AY Trust for a total consideration of HK\$1,151,472,000. The disposal was completed on 12 December 2018.
- (b) On 29 March 2018, Emperor Corporate Management Limited (“Emperor Corporate”) entered into a sales 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 to a company indirectly controlled by AY Trust 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.

During the year ended 31 March 2018, the Group had disposed the following subsidiary:

- (c) The Group entered into a sales and purchase agreement to dispose 50% equity interests in 新會鴻盛地產發展有限公司 (for identification purpose only, Xinhui Hongsheng Property Development Company Limited) (“Xinhui Hongsheng”), an indirect wholly-owned subsidiary of the Company engaged in property development, to an independent third party for a total consideration of RMB35,000,000 (equivalent to approximately HK\$41,326,000). The disposal was completed on 18 December 2017 with a gain of RMB66,141,000 (equivalent to approximately HK\$79,061,000), and Xinhui Hongsheng became an associate of the Company upon the completion of the disposal.

MANAGEMENT DISCUSSION AND ANALYSIS

The Group principally engages in property investment, property development and hospitality, owning properties with a total area of over 5 million square feet in Greater China and overseas. The Group has a tri-engine business model – owning and managing investment properties in prime locations that generate solid income; developing residential projects to drive earnings visibility; and operating hospitality services with strong recurrent cash flow. The Group has become one of the constituent stocks of the Hang Seng Corporate Sustainability Benchmark Index since September 2018. The Group has also been recognised by BCI Asia as one of the “Top 10 Developer in Hong Kong 2019” for its sustainability efforts and achievements in developing high quality and innovative projects.

MARKET REVIEW

Hong Kong’s retail and office leasing market remained broadly stable during the Year. Especially in the second half of the Year, the premium office leasing market turned stagnant, as confidence levels among tenants were weighed down amid the gloomy business environment. As for retail leasing, overall street rents moderated as retailers adopted a conservative approach towards their expansions amid external economic uncertainties. Though strong visitation has been driven by the opening of new bridge links and rail lines, consumption sentiment remained cautious, with retail sales growth declining towards the end of the Year. While the first-tier high-streets rents generally stayed flat, the lower-tier high-streets rents remained under pressure during the Year.

In late June 2018, the Hong Kong government introduced a slew of measures to tackle the short to medium term housing supply. The new initiatives, together with the growing economic uncertainties and interest-rate hikes in the United States (“US”), have impacted purchasers’ sentiment. As a result, Hong Kong home prices have undergone a correction since August 2018, discontinuing their record-breaking run. Nevertheless, the correction was short-lived – the property market has rebounded since February 2019. The improved sentiment has been attributable to a surge in purchasing power accumulated from pent-up demand and prospects regarding an interest rate hikes suspension.

FINANCIAL REVIEW

Overall Review

During the Year, the Group’s total revenue achieved a growth of 38.2% to HK\$4,352.4 million (2018: HK\$3,148.9 million) which is mainly attributable to the recognised sales of residential units. Rental income from the Group’s investment properties portfolio declined by 4.0% to HK\$1,107.8 million (2018: HK\$1,154.6 million), representing 25.4% (2018: 36.7%) of total revenue. The adjustment of rental income was due to tenant remixing exercises among the investment properties portfolio. Since all residential units of *The Amused* and 7 houses of *Peak Castle* were delivered to the customers during the Year, revenue from property sales reached HK\$1,695.8 million (2018: HK\$395.2 million),

representing 39.0% (2018: 12.5%) of total revenue. Revenue from the hotel and hotel related operations slightly declined to HK\$1,548.8 million (2018: HK\$1,599.1 million), accounting for 35.6% (2018: 50.8%) of total revenue.

Gross profit increased by 10.2% to HK\$2,536.5 million (2018: HK\$2,302.5 million). A revaluation gain on investment properties amounted to HK\$1,749.3 million (2018: HK\$2,868.4 million). The profit for the Year attributable to the owners of the Company decreased to HK\$3,136.3 million (2018: HK\$3,371.5 million). Excluding the net increase in fair value change on investment properties, the Group's underlying profit, as a benchmark of its operating performance, increased by 142.1% to HK\$1,495.8 million (2018: HK\$617.7 million), which was contributed by gains on disposal of several projects and an increased operating income arising from sales of properties.

Basic earnings per share were HK\$0.85 (2018: HK\$0.92). The Board recommended the payment of a final dividend of HK\$0.063 (2018: HK\$0.061) per share. Together with the interim dividend of HK\$0.047 (2018: HK\$0.047) per share, the total dividends for the Year are HK\$0.11 (2018: HK\$0.108) per share.

Liquidity And Financial Resources

As at 31 March 2019, the Group's net asset value and net asset value per share amounted to HK\$31,835.1 million (2018: HK\$29,455.4 million) and HK\$8.66 (2018: HK\$8.01) per share, respectively.

The Group had cash, bank balances and bank deposits amounting to HK\$3,944.5 million as of 31 March 2019 (2018: HK\$3,850.4 million). The total external borrowings (excluding payables) amounted to approximately HK\$25,644.9 million (2018: HK\$26,779.0 million). The Group's net gearing ratio, as measured by net debt to total assets, was 33.8% (2018: 35.7%) as of 31 March 2019.

To finance its operations, the Group utilises cash flow generated from operations and maintain multiple channels of funding sources including bank borrowings and unsecured notes. In March 2019, the Group entered into a 5-year HK\$2.6 billion unsecured club loan facility with 8 large-scale banks. As of 31 March 2019, the outstanding principal of the medium-term notes issued by the Group was HK\$5,921.0 million, which were denominated in Hong Kong dollars and US dollars at fixed rates ranging from 4.0% to 5.0% per annum.

As majority of the Group's business activities are conducted in Hong Kong, the monetary assets and liabilities of the Group are mainly denominated in Hong Kong dollars. The Group's foreign exchange exposure risks mainly arise from its operations in mainland China, Macau and United Kingdom, which are denominated in Renminbi, Macau Patacas and Pounds Sterling. The Group closely monitors its overall foreign exchange exposure and adopts appropriate measures to mitigate currency risks, such as cross-currency rate swap contracts for unsecured notes, if necessary.

BUSINESS REVIEW

Rental Income

The Group's investment property portfolio primarily focuses on quality street-level retail spaces and commercial buildings in prominent locations, not just in Greater China, but also in the United Kingdom. The Group is committed to enhancing the value of its property portfolio through asset enhancement initiatives and optimising tenancy profiles. In recent years, the Group have made good progress in realigning core properties to an enhanced mix of office portfolio. The overall occupancy rate of the Group's investment properties reached nearly 90% as at 31 March 2019.

Existing Portfolio

– *Mainland China*

Located in Chang'an Avenue East, ***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. A diverse tenant mix were introduced. While the shopping mall houses luxury brands, fitness centre and catering chains, office spaces are taken up by a number of reputable Chinese-based companies from property, consultancy as well as banking and finance sectors.

The development of ***Emperor Group Centre Beijing***, which boasts a prominent location in China's capital city, has marked a major milestone for the Group in developing upscale significant commercial projects in mainland China. During the Year, ***Emperor Group Centre Beijing*** was awarded the honour of "6-Star Super A-level Building" by Beijing Central Business District Administration Committee. The accolade has demonstrated the recognition of the ***Emperor Group Centre Beijing*** in China's real estate market, not only due to its superior geographical location, excellent transportation facilities and massive development potential, but also its advanced architectural design standards, extensive scope of businesses as well as property management which meets international standards.

– *Hong Kong – Retail Premises*

The Group owns a basket of premium investment properties, with a strong focus on street level retail space in Hong Kong's main 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, retail shops of Fitfort Shopping Arcade*** in North Point, and ***retail shops at Level 3, New Town Mansion Shopping Arcade*** in Tuen Mun.

During the Year, the Group disposed of the retail space at No. 4–8 Canton Road in Tsim Sha Tsui, at a consideration of HK\$1,800 million. The transaction was completed during the Year.

- *Hong Kong – Office, Commercial & Industrial Complexes*
The Group’s rental income from complexes mainly includes **Emperor Group Centre** and **China Huarong Tower** in Wan Chai; **Emperor Commercial Centre** in Central; a complex at **Nos. 45–51 Kwok Shui Road** in Kwai Chung; **New Media Tower** in Kwun Tong; and **commercial and car park complexes at Sui Wo Court** in Sha Tin.
- *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. The retail complex has been successfully positioned as a mall for lifestyle offerings. Located at the centre of Macau Peninsula’s gaming district, **Emperor Nam Van Centre** has become a prime shopping location, featuring a department store, sportswear outlet and jewellery store.
- *London*
The Group owns a 7-storey (including basement) retail and office complex as well as **Ampersand Building** at **Nos. 181–183** and **Nos. 111–125**, respectively, 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 net internal area of approximately 91,000 square feet. 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 enhanced accessibility.

Future projects

- *Hong Kong*
The Group continually strives to upgrade the quality and maximise the potential rental income of its premises by undertaking various transformation and refurbishing programmes. In the redevelopment of **Nos. 75–85 Lockhart Road**, the site will be transformed into a prime office building with a gross floor area of approximately 96,000 square feet. The project is scheduled for completion during 2020. The redevelopment is set to reinvigorate the site through creating 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, a 14-storey industrial building located at **No. 4 Kin Fat Lane** in Tuen Mun will be revitalised into a commercial building spanning diverse functions such as food and beverage, retail spaces and offices. The alteration and addition works are progressing as planned, with the project completion targeted for 2020.

During the Year, the Group acquired two adjacent buildings at **No. 13** and **No. 15 San On Street** in Tuen Mun, respectively. The Group plans to redevelop a high-tech industrial building with a gross floor area of approximately 190,000 square feet. Conveniently located, the site is just 5 minutes' walk away from the MTR Tuen Mun Station. The Group is optimistic regarding the leasing momentum potential in Tuen Mun, which is poised to benefit from government's moves to expand the logistics hub in the Northwest New Territories, under the Guangdong-Hong Kong-Macau Greater Bay Area initiatives.

– *London*

The site at **Nos. 25–27 Oxford Street** will be redeveloped into a composite retail/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 outlets and offices. Site work has commenced, and the redevelopment is expected to 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

Sales proceeds from sold units of **The Amused** and **Peak Castle** were recognised in the Year. All residential units of **The Amused**, an urban redevelopment project to create a 26-storey composite residential/retail tower offering in Shum Shui Po, Kowloon, were delivered to the buyers during the Year. On the other hand, **Peak Castle**, a luxurious low-rise development in Siu Lam, Tuen Mun, was launched to the market. During the Year, 7 detached houses of **Peak Castle** were sold, and delivered to the buyers. The remaining houses are planned for sale in phases.

Projects pending for sale in the near term

A site at **Nos. 8–10A Mosque Street**, Mid-Levels, will be developed into a 28-storey boutique residential tower with a gross floor area of approximately 34,000 square feet. Superstructure works have been progressing. Its pre-sale is expected to be launched in the second half of 2019, and the project is targeted for completion in 2020. Adjacent to Soho area and Lan Kwai Fong, it is in close proximity to the Central-Mid-Levels Escalator, with convenient access to Central commercial district.

The site at **Tuen Mun Town Lot No. 490, Tai Lam**, Tuen Mun, will be developed into 8 luxurious detached houses with sea view, encompassing a gross floor area of approximately 29,000 square feet. Superstructure work is in progress, and the development is scheduled for completion in 2020. The sales activities will commence thereafter. The project will provide convenient access to the cities in the Greater Bay Area, with its close proximity to new transportation infrastructure such as Hong Kong-Shenzhen Western Corridor and Hong Kong-Zhuhai-Macau Bridge. It is also close to a prestigious international school.

Rural Building Lot No. 1198, Shouson Hill, a 40% owned signature luxury residential project on Island South, 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. There is good progress with the construction work, and the project is expected to be completed in 2020.

Newly-acquired urban redevelopment projects

During the Year, the Group secured two newly-acquired sites at **Nos. 20–26 Old Bailey Street & No. 11 Chancery Lane**, Mid-Levels, and **Nos. 24–26A, Davis Street**, Kennedy Town, respectively. These sites are planned for redevelopment into boutique apartment towers and are expected to provide an aggregate gross floor area of approximately 50,000 square feet upon completion in 2022 onwards.

Hotel and Hotel Related Operations

Dedicated to the Group's ongoing efforts on developing hospitality services, **Emperor Hotels Group** has been established to cover several hotels and serviced apartments in Hong Kong and Macau. In Hong Kong, it currently covers **The Emperor Hotel**, **The Unit Serviced Apartments**, and **MORI MORI Serviced Apartments**. In Macau, it covers **Grand Emperor Hotel** and **Inn Hotel Macau**, where income from hospitality and gaming has 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 highly sought-after residence given its ease of access to central business districts. 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. During the Year, **The Unit Serviced Apartments** remained fully let.

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.

During the Year, the Group entered into agreements regarding the disposal of Inn Hotel Hong Kong with a 30-storey height and a gross floor area of approximately 48,000 square feet. The disposal was completed in June 2019. A gain on disposal of approximately HK\$712.0 million will be recognised in the financial year of 2019/2020.

– *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 307 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

Undoubtedly, progress of Sino-US trade talks continues to play a critical role in shaping the outlook for major economies, and could have implications for Hong Kong property sector as a whole. Entering 2019, the residential market sentiment improved due to optimism in the stock market and the Fed's cautious approach to raising interest rates.

In addition, the full employment situation and strong end-user demand give rise to a cautiously optimistic outlook. Against this backdrop, the Group continues to replenish land parcels in a disciplined manner, paving the way for healthy growth in future.

The Group believes the luxury homes market is less sensitive to market uncertainties and is poised to demonstrate solid growth potential. Following the successful sales of *Peak Castle* in *Siu Lam*, several projects on luxury sites including *Mosque Street, Tai Lam* and *Shouson Hill* are in the pipeline, for development and sales in subsequent years. The contributions from these projects are expected to provide promising returns to the Group.

As a gateway city to China and the Asia Pacific region, Hong Kong remains appealing to companies from all over the globe as a place to establish their operations. Looking ahead, the large-scale infrastructure projects and new initiatives under the Greater Bay Area development framework will create new demand for office towers and industrial buildings, adding impetus for Hong Kong commercial leasing markets. Upon the completion of the redevelopment/revitalisation projects – namely *Nos. 75–85 Lockhart Road, No. 4 Kin Fat Lane* and *No. 13–15 San On Street* – the Group’s portfolio mix will be diversified across property types. With its well-balanced portfolio, the Group is confident of seizing the opportunities emerging from the new growth engines and driving solid recurrent rental income in the long-run.

EMPLOYEES AND REMUNERATION POLICY

The total cost incurred for staff, including Directors’ emoluments, was HK\$725.6 million during the Year (2018: HK\$709.6 million). The number of staff was 1,715 as at 31 March 2019 (2018: 1,748). 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 2019, assets with carrying value of HK\$48,690.3 million (2018: HK\$47,863.6 million) were pledged as security for banking facilities.

FINAL DIVIDEND

The Board is pleased to recommend the payment of a final dividend of HK\$0.063 (2018: HK\$0.061) per share (“Final Dividend”) for the Year, amounting to approximately HK\$231.7 million (2018: HK\$224.3 million), subject to the approval of the shareholders at the forthcoming annual general meeting of the Company (“AGM”) to be held on 8 August 2019 (Thursday). If being approved, the Final Dividend will be paid on 6 September 2019 (Friday) to shareholders whose names appear on the register of members of the Company on 16 August 2019 (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 2 August 2019 (Friday)
AGM	8 August 2019 (Thursday)

For ascertaining shareholders' entitlement to the proposed Final Dividend

Latest time to lodge transfers	4:30 p.m. on 14 August 2019 (Wednesday)
Book close dates	15 and 16 August 2019 (Thursday and Friday)
Record date	16 August 2019 (Friday)
Final Dividend payment date	6 September 2019 (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 22, 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 2019 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 (<http://www.hkexnews.hk>) and the Company (<http://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, 12 June 2019

As at the date hereof, the Board comprises:

<i>Non-executive Director:</i>	Ms. Luk Siu Man, Semon
<i>Executive Directors:</i>	Mr. Wong Chi Fai Ms. Fan Man Seung, Vanessa Mr. Cheung Ping Keung Mr. Yeung Ching Loong, Alexander
<i>Independent Non-executive Directors:</i>	Ms. Cheng Ka Yu Mr. Wong Tak Ming, Gary Mr. Chan Hon Piu