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

*(Incorporated in Bermuda with limited liability)*

(Stock Code: 163)

**2023/2024 INTERIM RESULTS ANNOUNCEMENT**

The board of directors (the “**Board**” or “**Directors**”) of Emperor International Holdings Limited (the “**Company**”) announces the unaudited consolidated results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the six months ended 30 September 2023 (the “**Period**”).

**FINANCIAL SUMMARY**

	<b>For the six months ended</b>	
	<b>30 September</b>	
	<b>2023</b>	<b>2022</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Total revenue	<b>810,285</b>	541,245
– Rental income	<b>448,938</b>	430,692
– Property sales	<b>12,506</b>	14,003
– Hotel and hotel related operations	<b>348,841</b>	96,550
Gross profit	<b>492,653</b>	230,995
Fair value (loss) on investment properties	<b>(462,781)</b>	(899,695)
Underlying profit/(loss) attributable to owners of the Company <sup>1</sup>	<b>213,170</b>	(19,197)
(Loss) attributable to owners of the Company	<b>(760,131)</b>	(956,441)
Basic (loss) per share	<b>HK\$(0.21)</b>	HK\$(0.26)

<sup>1</sup> Represents profit/(loss) attributable to owners of the Company before gain on disposal of a subsidiary, fair value changes and impairment loss and the relevant deferred taxes, as well as finance costs

## MANAGEMENT DISCUSSION AND ANALYSIS

### RESULTS

Benefiting from the recoveries of the tourism and hospitality sectors, the Group's total revenue increased by 49.7% to HK\$810.3 million (2022: HK\$541.2 million) during the Period. The Group's rental income remained broadly stable at HK\$448.9 million (2022: HK\$430.7 million), representing 55.4% (2022: 79.6%) of total revenue. Revenue from the sales of property development was HK\$12.5 million (2022: HK\$14.0 million), accounting for 1.5% (2022: 2.6%) of the total revenue. Revenue from the hospitality segment significantly increased by 261.3% to HK\$348.8 million (2022: HK\$96.6 million), accounting for 43.1% (2022: 17.8%) of the total revenue.

Gross profit increased by 113.3% to HK\$492.7 million (2022: HK\$231.0 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 was HK\$213.2 million (2022: loss of HK\$19.2 million). The loss for the Period attributable to the owners of the Company narrowed to HK\$760.1 million (2022: HK\$956.4 million). Basic loss was HK\$0.21 (2022: HK\$0.26) per share. The Board has resolved to declare an interim dividend of HK\$0.003 (2022: HK\$0.005) 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 30 September 2023, 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* and *China Huarong Tower* in Wan Chai; *Emperor Commercial Centre* in Central; *Emperor Hollywood Centre* in Sheung Wan.

With a gross floor area of approximately 126,600 square feet, a Grade-A office building at *No. 81 Lockhart Road*, Wan Chai, has been leased to a single tenant on an en bloc basis since August 2023. 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; ***Nos. 81, 83 Nathan Road, Nos. 35-37 Haiphong Road*** and ***Nos. 25-29 Hankow Road*** in Tsim Sha Tsui.

During the Period, 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 is located beyond the traditional tourists' shopping areas, and is regarded as a non-core investment property with limited chances of further substantial value appreciation by transformation or redevelopment exercises. The net proceeds of approximately HK\$1,146.9 million will strengthen the Group's financial position for future investment opportunities, and enhance its investment portfolio for higher returns.

### ***Mainland China***

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

### ***Macau***

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

### ***London***

The Group owns a 7-storey (including basement) retail and office 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 112,500 square feet (for retail and office portions only). Located in the prime retail and vibrant SOHO office area of London's West End, it is also in close proximity to the Tottenham Court Road Crossrail development, thereby enjoying significant pedestrian traffic and excellent accessibility.

### **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 with an aggregate project saleable area of over 353,000 square feet. 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 30 September 2023, 64 units were sold and 3 units were 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 30 September 2023, 2 houses were sold and 1 house was contracted.

***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, which was launched to the market in 2022. As at 30 September 2023, 1 house was sold and 1 house was 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 November 2023 with an overwhelming market response. The project is scheduled for completion in 2024 or after.

***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 completion in 2024 or after.

The existing buildings at ***Nos. 24-30 Bonham Road***, Mid-levels, have been demolished and will be redeveloped into a 27-storey residential complex with a 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 2024 or after.

The site at ***Nos. 20-26 Old Bailey Street & No.11 Chancery Lane***, Central, is planned for redevelopment into a 25-storey boutique luxury residential tower. Adjacent to SOHO area and Lan Kwai Fong, it is in close proximity to Central-Mid-Levels Escalator, with convenient access to the central business district. The redevelopment is planned to be completed in 2024 or after.

### ***Hotel and Hotel Related Operations***

As at 30 September 2023, Emperor Entertainment Hotel Limited (“**Emperor E Hotel**”; Hong Kong stock code: 296), a subsidiary of the Group which engages in provision of hospitality and entertainment services, covered a total of six hotels and serviced apartments in Hong Kong and Macau with an aggregate gross floor area of over 1,034,000 square feet, 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 Period.

### **OUTLOOK**

Following the rebound of visitor arrivals and the recovery of consumption sentiment, the Group remains positive regarding the market outlook for retail leasing and hospitality services. Hong Kong’s office market, in contrast, has yet to experience a notable rebound. Although there was an increase in office leasing enquiries after the resumption of travel, companies were generally cautious about taking up new space due to global economic uncertainties.

The local general property market has been softening recently, amid the macroeconomic headwinds and numerous market challenges such as ongoing interest rate hikes and geopolitical tensions. However, the primary residential market was relatively active, with homebuyers preferring new projects complemented by comprehensive clubhouse facilities and good transport connectivity. Riding on its reputable brand and comprehensive attributes, the Group’s quality projects continued to attract market interest. Subsequent to the Period, the pre-sale of ***SouthSky***, has been launched, and was well received by the market. The Group will continue promptly adjusting its strategies in response to changes in the market, and will maintain a balanced property portfolio to diversify business risks and achieve steady development.

### **FINANCIAL INFORMATION**

#### **Liquidity and Financial Resources**

As at 30 September 2023, the Group’s net asset value and net asset value per share amounted to HK\$22,794.9 million (31 March 2023: HK\$23,887.2 million) and HK\$6.2 (31 March 2023: HK\$6.5) per share, respectively.

The Group had cash, bank balances and bank deposits amounted to HK\$1,217.0 million (31 March 2023: HK\$2,367.9 million) as at 30 September 2023. The total external borrowings (excluding payables) was approximately HK\$19,615.2 million (31 March 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 39.1% (31 March 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 30 September 2023, the outstanding principal of the medium-term notes issued by the Group was HK\$379.6 million (31 March 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**”). As a small portion of the Group's bank borrowings were denominated in RMB and Pound, the Group's foreign exchange risk caused by market 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 30 September 2023, assets with carrying value of HK\$35,181.5 million (31 March 2023: HK\$37,056.8 million) were pledged by the Group as security for banking facilities.

#### **EMPLOYEES AND REMUNERATION POLICY**

The total cost incurred for staff, including Directors' emoluments, was HK\$223.1 million (2022: HK\$252.4 million) during the Period. The number of staff was 946 (2022: 768) as at 30 September 2023. Each employee's remuneration was determined in accordance with the individual's responsibility, competence and skills, experience and performance, as well as market pay levels. Staff benefits include medical and life insurance, retirement benefits and other competitive fringe benefits.

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

#### **INTERIM DIVIDEND**

The Board has declared an interim dividend of HK\$0.003 per share (“**Interim Dividend**”) (2022: HK\$0.005 per share) amounting to approximately HK\$11.0 million (2022: HK\$18.4 million). The Interim Dividend will be payable on 29 December 2023 (Friday) to shareholders whose names appear on the register of members of the Company on 14 December 2023 (Thursday).

#### **CLOSURE OF REGISTER OF MEMBERS**

The register of members of the Company will be closed, for the purpose of determining shareholders' entitlement to the Interim Dividend, from 13 December 2023 (Wednesday) to 14 December 2023 (Thursday) (both days inclusive), during which period no transfer of shares will be registered.

In order to qualify for the Interim Dividend, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's Hong Kong Branch Share Registrar, Tricor Secretaries Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration no later than 4:30 p.m. on 12 December 2023 (Tuesday).

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 September 2023

		Six months ended 30 September	
	Notes	2023 (unaudited) HK\$'000	2022 (unaudited) HK\$'000
Revenue			
Contracts with customers	3(a)	361,347	110,553
Leases	3(b)	448,938	430,692
		<u>810,285</u>	<u>541,245</u>
Total revenue		810,285	541,245
Cost of properties sales		(11,584)	(12,652)
Cost of hotel and hotel related operations		(238,147)	(227,045)
Direct operating expenses in respect of leasing of investment properties		(67,901)	(70,553)
		<u>492,653</u>	<u>230,995</u>
Gross profit		492,653	230,995
Other income		44,789	76,106
Fair value changes of investment properties		(462,781)	(899,695)
Other gains and losses	5	(86,488)	(59,772)
Impairment allowance recognised for trade receivables		(127)	(590)
Selling and marketing expenses		(78,228)	(37,262)
Administrative expenses		(137,475)	(150,672)
Share of result of an associate		(279)	(1,034)
Share of result of a joint venture		(51,151)	(32,539)
		<u>(279,087)</u>	<u>(874,463)</u>
Loss from operations	6	(279,087)	(874,463)
Finance costs		(466,625)	(219,719)
		<u>(745,712)</u>	<u>(1,094,182)</u>
Loss before taxation		(745,712)	(1,094,182)
Taxation (charge) credit	7	(11,360)	56,926
		<u>(757,072)</u>	<u>(1,037,256)</u>
Loss for the period		<u>(757,072)</u>	<u>(1,037,256)</u>
(Loss) profit for the period attributable to:			
Owners of the Company		(760,131)	(956,441)
Non-controlling interests		3,059	(80,815)
		<u>(757,072)</u>	<u>(1,037,256)</u>
Loss per share	8		
Basic		<u>HK\$(0.21)</u>	<u>HK\$(0.26)</u>

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

*For the six months ended 30 September 2023*

	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2023</b>	2022
	<b>(unaudited)</b>	(unaudited)
	<b>HK\$'000</b>	HK\$'000
Loss for the period	<b>(757,072)</b>	(1,037,256)
<b>Other comprehensive expense</b>		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Exchange differences arising on translation of foreign operations:		
– subsidiaries	<b>(316,114)</b>	(980,053)
– an associate	<b>(5,068)</b>	(13,622)
Other comprehensive expense for the period	<b>(321,182)</b>	(993,675)
Total comprehensive expense for the period	<b>(1,078,254)</b>	(2,030,931)
Total comprehensive (expense) income for the period attributable to:		
Owners of the Company	<b>(1,081,313)</b>	(1,950,116)
Non-controlling interests	<b>3,059</b>	(80,815)
	<b>(1,078,254)</b>	(2,030,931)

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2023

		At 30 September 2023 (unaudited) HK\$'000	At 31 March 2023 (audited) HK\$'000
	Notes		
<b>Non-current assets</b>			
Investment properties	10	35,132,109	37,944,753
Property, plant and equipment	10	2,651,716	2,723,519
Deposits paid for acquisition of investment properties/property, plant and equipment		1,750	2,182
Receivables related to a development project		161,823	169,628
Right-of-use assets	11	455,606	466,235
Interest in an associate		104,883	110,230
Interest in a joint venture	12	1,289,042	1,327,580
Goodwill		1,940	1,940
Other assets		3,997	3,997
Pledged bank deposit		30,213	–
		<u>39,833,079</u>	<u>42,750,064</u>
<b>Current assets</b>			
Inventories		12,002	11,312
Properties held for sale	13	399,909	582,409
Properties under development for sale	10	5,127,644	4,861,331
Trade and other receivables	14	459,526	471,528
Taxation recoverable		3,899	7,417
Deposit in designated bank account for development properties		9,473	9,885
Pledged bank deposits		300	66,187
Short-term bank deposits		189,285	56,789
Bank balances and cash		1,027,668	2,311,133
		<u>7,229,706</u>	<u>8,377,991</u>

		At 30 September 2023 (unaudited) HK\$'000	At 31 March 2023 (audited) HK\$'000
<b>Current liabilities</b>			
Trade and other payables	15	737,904	801,982
Contract liabilities		14,265	2,735
Dividend payable		11,033	–
Amount due to an associate		130,772	137,079
Amount due to a related company		1,073,528	1,404,128
Amounts due to non-controlling interests of subsidiaries		39,523	39,523
Taxation payable		100,699	97,098
Unsecured notes – due within one year		299,736	867,963
Bank borrowings – due within one year		6,855,935	7,803,510
Lease liabilities – due within one year		2,955	2,893
		<u>9,266,350</u>	<u>11,156,911</u>
<b>Net current liabilities</b>		<u>(2,036,644)</u>	<u>(2,778,920)</u>
<b>Total assets less current liabilities</b>		<u>37,796,435</u>	<u>39,971,144</u>
<b>Non-current liabilities</b>			
Unsecured notes – due after one year		79,894	379,351
Bank borrowings – due after one year		11,266,556	11,949,488
Lease liabilities – due after one year		31,343	33,041
Deferred taxation		1,699,545	1,800,942
		<u>13,077,338</u>	<u>14,162,822</u>
<b>Net assets</b>		<u>24,719,097</u>	<u>25,808,322</u>
<b>Capital and reserves</b>			
Share capital		36,775	36,775
Reserves		22,758,137	23,850,421
		<u>22,794,912</u>	<u>23,887,196</u>
Equity attributable to owners of the Company		22,794,912	23,887,196
Non-controlling interests		1,924,185	1,921,126
		<u>24,719,097</u>	<u>25,808,322</u>
<b>Total equity</b>		<u>24,719,097</u>	<u>25,808,322</u>

*NOTES:*

**1. BASIS OF PREPARATION**

The unaudited condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange (“**Listing Rules**”) and Hong Kong Accounting Standard (“**HKAS**”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”).

These unaudited condensed consolidated financial statements should be read in conjunction with the annual financial statements for the year ended 31 March 2023.

**2. PRINCIPAL ACCOUNTING POLICIES**

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

Other than changes in accounting policies resulting from application of new and amendments to Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by HKICPA, the accounting policies and methods of computation used in the unaudited condensed consolidated financial statements for the Period are consistent with those followed in the preparation of the Group’s annual financial statements for the year ended 31 March 2023.

**Application of new and amendments to HKFRSs**

In the Period, the Group has applied the following new and amendments to HKFRSs issued by the HKICPA, for the first time, which are mandatorily effective for the annual period beginning on 1 April 2023 for the preparation of the Group’s unaudited condensed consolidated financial statements:

HKFRS 17 (including the October 2020 and February 2022 Amendments to HKFRS 17)	Insurance Contracts
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax Related to Assets and Liabilities arising from a Single Transaction

The application of the above new and amendments to HKFRSs in the current period has had no material impact on the Group’s financial positions and performance for the current and prior periods and/or on the disclosures set out in these unaudited condensed consolidated financial statements.

The Group has not early applied any new or amended 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

	Six months ended	
	30 September	
	2023	2022
	(unaudited)	(unaudited)
	HK\$'000	HK\$'000
<b>Hotel and hotel related operations:</b>		
Recognised over time:		
Service income from gaming operations	215,645	24,382
Hotel room income	79,842	34,335
Others	–	6,537
	<u>295,487</u>	<u>65,254</u>
Recognised at a point in time:		
Food and beverage sales	53,045	30,998
Others	309	298
	<u>53,354</u>	<u>31,296</u>
	348,841	96,550
<b>Sales of properties recognised at a point in time</b>	<u>12,506</u>	<u>14,003</u>
	<u>361,347</u>	<u>110,553</u>
<b>Revenue from contracts with customers</b>	<u>361,347</u>	<u>110,553</u>

#### (b) Leases

	Six months ended	
	30 September	
	2023	2022
	(unaudited)	(unaudited)
	HK\$'000	HK\$'000
<b>Total revenue arising from leases:</b>		
For operating leases:		
Lease payments that are fixed or depend on an index or a rate	442,983	425,233
Variable lease payments that do not depend on an index or a rate	5,955	5,459
	<u>448,938</u>	<u>430,692</u>

#### 4. SEGMENT INFORMATION

For management purpose, the business segments of the Group are currently organised into lease of properties, properties development and hotel and hotel related operations. Segment results represent the profit earned by or loss suffered from each segment without allocation of central administration cost, interest income, gain on disposal of a subsidiary, finance costs, government subsidies, share of result of an associate and share of result of a joint venture. These divisions are the basis on which the Group reports its primary segment information. The segment results of lease of properties and properties development include administrative and running expenses for those properties under development.

##### Business segments

For the period ended 30 September 2023	Lease of properties <i>HK\$'000</i>	Properties development <i>HK\$'000</i>	Hotel and hotel related operations <i>HK\$'000</i>	Total <i>HK\$'000</i>
<i>Segment revenue and results</i>				
Segment revenue				
– from external customers	448,938	12,506	348,841	810,285
Segment results before fair value change and write-downs	383,458	(7,264)	(12,132)	364,062
Fair value decrement in investment properties	(462,781)	–	–	(462,781)
Write-downs of properties under development for sales, net	–	(41,452)	–	(41,452)
Write-downs of properties held for sale	–	(6,538)	–	(6,538)
Segment results	<u>(79,323)</u>	<u>(55,254)</u>	<u>(12,132)</u>	(146,709)
Interest income				27,026
Corporate expenses, net				(107,974)
Finance costs				(466,625)
Share of result of an associate				(279)
Share of result of a joint venture				<u>(51,151)</u>
Loss before taxation				(745,712)
Taxation charge				<u>(11,360)</u>
Loss for the period				<u><u>(757,072)</u></u>

For the period ended 30 September 2022	Lease of properties <i>HK\$'000</i>	Properties development <i>HK\$'000</i>	Hotel and hotel related operations <i>HK\$'000</i>	Total <i>HK\$'000</i>
<i>Segment revenue and results</i>				
Segment revenue				
– from external customers	430,692	14,003	96,550	541,245
Segment results before fair value change and write-downs	359,552	(6,964)	(180,329)	172,259
Fair value decrement in investment properties	(899,695)	–	–	(899,695)
Write-downs of properties under development for sales, net	–	(108,676)	–	(108,676)
Segment results	<u>(540,143)</u>	<u>(115,640)</u>	<u>(180,329)</u>	(836,112)
Interest income				15,974
Gain on disposal of a subsidiary				212,069
Corporate expenses, net				(240,371)
Finance costs				(219,719)
Government subsidies				7,550
Share of result of an associate				(1,034)
Share of result of a joint venture				(32,539)
Loss before taxation				(1,094,182)
Taxation credit				56,926
Loss for the period				<u>(1,037,256)</u>

## 5. OTHER GAINS AND LOSSES

	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2023</b>	<b>2022</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
	<b><i>HK\$'000</i></b>	<b><i>HK\$'000</i></b>
Net exchange loss	(38,498)	(163,165)
Write-downs of properties under development for sale, net ( <i>Note</i> )	(41,452)	(108,676)
Write-downs of properties held for sale	(6,538)	–
Gain on disposal of a subsidiary ( <i>Note 16</i> )	–	212,069
	<u>(86,488)</u>	<u>(59,772)</u>

*Note:* During the Period, the Directors reviewed the net realisable value of the properties under development for sale with reference to the current market environment and recognised write-downs of HK\$131,907,000 and reversed previously recognised write-downs of HK\$90,455,000 (2022: recognised write-downs of HK\$108,676,000).

## 6. LOSS FROM OPERATIONS

Loss from operations for the Period has been arrived at after charging depreciation of approximately HK\$74,579,000 (2022: HK\$68,567,000) in respect of the Group's property, plant and equipment and approximately HK\$10,629,000 (2022: HK\$10,613,000) in respect of the Group's right-of-use assets.

## 7. TAXATION (CHARGE) CREDIT

	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2023</b>	<b>2022</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Taxation (charge) credit comprises:		
Current tax		
Hong Kong Special Administrative Region (“ <b>Hong Kong</b> ”) Profits Tax	(5,135)	(5,998)
Macau Special Administrative Region (“ <b>Macau</b> ”) Complementary Tax	(2,498)	(559)
United Kingdom (“ <b>UK</b> ”) Income Tax	(5,300)	(3,361)
The People's Republic of China (“ <b>The PRC</b> ”) Enterprise Income Tax	(643)	(702)
The PRC withholding tax	(5,873)	–
	<u>(19,449)</u>	<u>(10,620)</u>
Overprovision in respect of prior years		
Hong Kong Profits Tax	<u>7</u>	–
Deferred taxation credit	<u>8,082</u>	<u>67,546</u>
	<u>(11,360)</u>	<u>56,926</u>

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

The Macau Complementary Tax is calculated at the applicable rate of 12% of the estimated assessable profits for both periods.

UK Income Tax for the Period is calculated at the applicable rate of 25% (2022: 19%) of the estimated assessable profits.

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 periods.

The withholding tax represented taxation recognised in respect of the dividends to be distributed from profits earned by subsidiary in the PRC starting from 1 January 2008. The withholding tax is recognised for dividends to be distributed from profits earned by subsidiary in the PRC in accordance with the Implementation Regulation of the EIT Law of the PRC that requires withholding tax with tax rate at 5% for dividend upon the distribution of such profits to the shareholder.

## 8. LOSS PER SHARE

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

	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2023</b>	<b>2022</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>Loss</b>		
Loss (loss for the period attributable to owners of the Company) for the purpose of basic loss per share	<u>(760,131)</u>	<u>(956,441)</u>
	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2023</b>	<b>2022</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
<b>Number of shares</b>		
Weighted average number of ordinary shares in issue for the purpose of basic loss per share	<u>3,677,545,667</u>	<u>3,677,545,667</u>

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

## 9. DIVIDEND

	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2023</b>	<b>2022</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Final dividend of HK\$0.003 per share for the year ended 31 March 2023 paid on 16 October 2023 (year ended 31 March 2022: HK\$0.016 per share paid during the period)	<u>11,033</u>	<u>58,841</u>

The Board has resolved to declare an interim dividend of HK\$0.003 (2022: HK\$0.005) per share amounting to approximately HK\$11,033,000 (2022: HK\$18,388,000).

## 10. ADDITIONS TO INVESTMENT PROPERTIES, PROPERTY, PLANT AND EQUIPMENT AND PROPERTIES UNDER DEVELOPMENT FOR SALE

### Investment properties

All of the Group's property interests held under operating leases to earn rentals or for capital appreciation purposes are measured using the fair value model and are classified and accounted for as investment properties.

During the Period, the Group acquired investment properties for a cash consideration of HK\$3,098,000 (2022: HK\$1,508,000).

The fair values of the Group's investment properties at 30 September 2023 have been arrived at on the basis of a valuation carried out on those date by Colliers International (Hong Kong) Limited, Cushman & Wakefield Debenham Tie Leung Limited, Savills (Macau) Limited and Vincorn Consulting and Appraisal Limited (31 March 2023: Memfus Wong Surveyors Limited, Colliers International (Hong Kong) Limited, Cushman & Wakefield Debenham Tie Leung Limited, Savills (Macau) Limited and Vincorn Consulting and Appraisal Limited), independent firms of qualified professional property valuers (the "Valuers") not connected with the Group, in accordance with the HKIS Valuation Standards 2020 issued by Hong Kong Institute of Surveyors or International Valuation Standards 2022 issued by the Royal Institution of Chartered Surveyors.

For completed investment properties, the valuations have been arrived at with reference to market evidence of recent transaction prices for similar properties or rental income using the applicable market yields for the respective locations and types of properties.

For investment properties under development, the valuations have been arrived at assuming that the investment properties will be completed in accordance with the development proposals and the relevant approvals for the proposals have been obtained. The valuations include key factors such as the market value of the completed investment properties, which are estimated with reference to recent sales evidence of similar properties in the nearest locality as available in the relevant market with adjustments made by the Valuers to account for differences in the locations and other factors specifically to determine the potential sales proceeds, and deducting the development costs and required profit margin from the investment properties which are derived from the interpretation of prevailing investor requirements or expectations at the valuation dates.

The resulting decrease of fair value of investment properties of approximately HK\$462,781,000 (2022: HK\$899,695,000) has been recognised directly in profit or loss for the Period.

### Property, plant and equipment and properties under development for sale

During the Period, the Group acquired or incurred additional costs on property, plant and equipment and properties under development for sale amounting to approximately HK\$8,069,000 and HK\$185,021,000 (2022: HK\$28,474,000 and HK\$150,870,000) respectively.

## 11. MOVEMENTS OF RIGHT-OF-USE ASSETS

	<b>Leasehold lands HK\$'000</b>	<b>Land and buildings HK\$'000</b>	<b>Total HK\$'000</b>
<b>Carrying value</b>			
At 1 April 2023 (audited)	457,323	8,912	466,235
Depreciation provided for the Period	(9,358)	(1,271)	(10,629)
<b>At 30 September 2023 (unaudited)</b>	<b>447,965</b>	<b>7,641</b>	<b>455,606</b>

## 12. INTEREST IN A JOINT VENTURE

Interest in a joint venture represents interest in Castle Horizon Holdings Limited (“**Castle Horizon**”) in which the Group holds 50% equity interest. All decisions about the relevant activities require the unanimous consent of all the joint venture partners sharing control. Castle Horizon holds 100% interest in Superb Land Limited and Summer Estate Enterprises Limited together with their subsidiaries, being property holding companies of a development project located at No.15 Shouson Hill Road West, Hong Kong.

As at 30 September 2023, the Group has given a corporate guarantee of HK\$1,165,000,000 (31 March 2023: HK\$1,165,000,000) to a bank in respect of banking facilities granted to Talent Charm Corporation Limited, a subsidiary of Superb Land Limited, of which HK\$908,309,000 (31 March 2023: HK\$1,012,738,000) has been utilised. In the opinion of the Directors, the fair value of the financial guarantee is not significant.

## 13. PROPERTIES HELD FOR SALE

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

	<b>At 30 September 2023 (unaudited) HK\$'000</b>	<b>At 31 March 2023 (audited) HK\$'000</b>
Hong Kong	399,475	581,956
The PRC	434	453
	<b>399,909</b>	<b>582,409</b>

#### 14. TRADE AND OTHER RECEIVABLES

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

	At 30 September 2023 (unaudited) <i>HK\$'000</i>	At 31 March 2023 (audited) <i>HK\$'000</i>
0 – 30 days	56,388	41,483
31 – 90 days	2,921	1,314
91 – 180 days	37	294
Over 180 days	12,972	12,978
	<hr/>	<hr/>
	72,318	56,069
Other receivables	148,367	178,424
Deposits and prepayments	238,841	237,035
	<hr/>	<hr/>
	<b>459,526</b>	<b>471,528</b>
	<hr/> <hr/>	<hr/> <hr/>

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

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

As at 30 September 2023, included in other receivables are amounts due from related companies of HK\$39,929,000 (31 March 2023: HK\$45,520,000). These related companies are indirectly controlled by private discretionary trusts which are founded by Dr. Yeung Sau Shing, Albert (“**Dr. Albert Yeung**”), a deemed substantial shareholder of the Company. The amounts are unsecured, interest-free and repayable on demand.

## 15. TRADE AND OTHER PAYABLES

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

	At 30 September 2023 (unaudited) HK\$'000	At 31 March 2023 (audited) HK\$'000
0 – 90 days	35,482	24,871
91 – 180 days	712	330
Over 180 days	20	15
	<hr/>	<hr/>
	36,214	25,216
Amount due to a shareholder of an associate ( <i>Note</i> )	1,293	1,356
Construction payables and accruals	264,413	299,302
Rental deposits received	268,025	273,792
Other payables and accruals	167,959	202,316
	<hr/>	<hr/>
	737,904	801,982
	<hr/> <hr/>	<hr/> <hr/>

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

## 16. DISPOSAL OF SUBSIDIARIES

During the six months period ended 30 September 2023, the Group had disposed of the following subsidiaries:

On 3 July 2023, Emperor Property Investment Limited (“**EPIL**”) entered into a sale and purchase agreement to dispose of the entire equity interest in Joybridge Services Limited and its subsidiary (“**Joybridge Group**”), indirect wholly-owned subsidiaries of the Company, which holds a shopping mall located at No. 560 King’s Road, Hong Kong, and all loan due by Joybridge Group to EPIL to a company indirectly controlled by a private discretionary trust which is founded by Dr. Albert Yeung at a total adjusted consideration of approximately HK\$1,944,215,000. The disposal was completed on 22 September 2023.

During the six months period ended 30 September 2022, the Group had disposed of the following subsidiary:

On 30 December 2021, Emperor Property Development Limited (“**EPDL**”) entered into a sale and purchase agreement to dispose of the entire equity interest in Earn Benefit Limited (“**Earn Benefit**”), an indirect wholly-owned subsidiary of the Company, which holds a site located at Nos. 67-77 Nam On Street, Shau Kei Wan, Hong Kong, and all loan due by Earn Benefit to EPDL to an independent third party at a total adjusted consideration of approximately HK\$690,915,000. The disposal was completed on 29 April 2022 with a gain of approximately HK\$212,069,000.

## **REVIEW OF INTERIM RESULTS**

These condensed consolidated financial statements of the Group for the Period have not been reviewed nor audited by the Company's auditor, Deloitte Touche Tohmatsu (Registered Public Interest Entity Auditor), but have been reviewed by the audit committee of the Company, which comprises three Independent Non-executive Directors of the Company.

## **CORPORATE GOVERNANCE**

### **Corporate Governance Code**

The Company has complied throughout the Period with all the code provisions of Corporate Governance Code as set out in Appendix 14 to 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 as set out in Appendix 10 to the Listing Rules regarding Model Code for Securities Transactions by Directors of Listed Issuers ("**Model Code**"). Having made specific enquiry of the Directors, all of them confirmed that they had complied with the required standard of dealings as set out in the EIHL Securities Code throughout the Period.

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 Period.

## **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 Period.

## **PUBLICATION OF THE UNAUDITED INTERIM RESULTS AND INTERIM REPORT**

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

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

Hong Kong, 28 November 2023

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

*Non-executive Directors:*

Ms. Luk Siu Man, Semon  
Mr. Cheung Ping Keung

*Executive Directors:*

Mr. Yeung Ching Loong, Alexander  
Mr. Wong Chi Fai  
Ms. Fan Man Seung, Vanessa

*Independent Non-executive Directors:*

Mr. Chan Hon Piu  
Mr. Chu Kar Wing  
Mr. Poon Yan Wai