



英皇國際集團有限公司 英皇娛樂酒店有限公司
Emperor International Holdings Limited Emperor Entertainment Hotel Limited

於百慕達註冊成立之有限公司 Incorporated in Bermuda with limited liability

Jointly Announce 2022/23 Interim Results

(Hong Kong, 24 November 2022) **Emperor International Holdings Limited** (“Emperor International”; Stock code: 163) and its subsidiary **Emperor Entertainment Hotel Limited** (“Emperor E Hotel”; Stock code: 296) jointly announced its 2022/23 interim results for the six months ended 30 September 2022 (the “Period”).

Emperor International’s Financial Summary

HK’000	For the six months ended 30 September	
	2022	2021
Total revenue	541,245	1,392,682
- <i>Rental income</i>	430,692	440,465
- <i>Property sales</i>	14,003	731,674
- <i>Hotel and hotel related operations</i>	96,550	220,543
Gross profit	230,995	409,198
Fair value (loss)/gain on investment properties	(899,695)	197,889
Underlying (loss) attributable to the owners of the company ¹	(26,847)	(27,377)
(Loss)/Profit attributable to the owners of the company	(956,441)	233,242
Basic (loss)/earnings per share	HK\$(0.26)	HK\$0.06
Interim dividend per share	HK\$0.005	HK\$0.015

¹ Representing loss for the period before fair value changes and impairment losses and relevant deferred taxes

As a result of a tough business operating environment, Emperor International's total revenue was HK\$541.2 million (2021: HK\$1,392.7 million) during the Period. Despite the sluggish office and retail leasing demand during the Period, Emperor International managed to maintain the rental income broadly stable at HK\$430.7 million (2021: HK\$440.5 million), representing 79.6% (2021: 31.6%) of total revenue. Contracted sales of approximately HK\$1,305.2 million from **No. 15 Shouson** were achieved during the Period, nevertheless it can be booked and recorded subsequent to the Period only, hence revenue from the sales of property development decreased to HK\$14.0 million (2021: HK\$731.7 million), accounting for 2.6% (2021: 52.5%) of total revenue. With tourism and hospitality sectors yet to recover fully, plus the discontinuation of gaming revenue during the Period, revenue from the hospitality segment decreased to HK\$96.6 million (2021: HK\$220.5 million), which accounted for 17.8% (2021: 15.9%) of the total revenue.

Gross profit was HK\$231.0 million (2021: HK\$409.2 million). Due to a drop in the total revenue and a fair value loss of HK\$899.7 million (2021: fair value gain of HK\$197.9 million) being recorded, loss for the Period attributable to the owners of Emperor International of HK\$956.4 million (2021: profit of HK\$233.2 million) was recorded. Basic loss was HK\$0.26 (2021: basic earnings of HK\$0.06) per share. The Board has resolved to declare an interim dividend of HK\$0.005 (2021: HK\$0.015) per share.

Property Sales

No. 15 Shouson, located at Southern District, Hong Kong Island, offers 15 blocks of detached houses. The project has been completed during the Period and was launched to the market in late-May 2022. 2 houses were contracted during the Period and the sales amount of approximately HK\$1,305.2 million is expected to be booked and recorded subsequent to the Period. Besides, Emperor International has completed the acquisition of an additional 10% stake in this project subsequent to the Period, such that Emperor International's shareholding in this project increased from 40% to 50%, enabling Emperor International to generate more income in future.

In respect of **Central 8** in Mid-Levels, 62 units were sold as at 30 September 2022 with an average selling price of over HK\$30,000 per square feet. For **Seaside Castle** in Tuen Mun which comprises luxurious detached houses with sea view, 2 houses were sold as at 30 September 2022.

There are 5 more redevelopment projects planned for completion from 2023 onwards, which provide an aggregate gross floor area of approximately 269,000 square feet: (1) the site at **Nos. 20-26 Old Bailey Street & No. 11 Chancery Lane**, Central is planned for redevelopment into a 26-storey boutique luxury residential tower; (2) the site at **No. 1 Wang Tak Street**, Happy Valley, previously the Emperor (Happy Valley) Hotel, will be redeveloped into a 27-storey residential tower; (3) the site at **Nos. 24-30 Bonham Road**, Mid-Levels will be redeveloped into a 27-storey residential tower; (4) the existing building at **Nos. 72-80 Old Main Street Aberdeen**, Aberdeen will be redeveloped into a 23-storey residential and retail building; and (5) the site at **No. 127 Caine Road**, Mid-Levels will be redeveloped into a 23-storey residential and retail tower.

Rental Income

Emperor International possess a geographically balanced property portfolio covering key cities in Greater China as well as London. As at 30 September 2022, Hong Kong accounted for more than 50% of Emperor International's total gross floor area of investment properties currently for lease, and the occupancy rate of Emperor International's investment properties in Hong Kong was approximately 90%. Emperor International continually strives to enhance the value and maximise the potential rental income of its premises by undertaking redevelopment programme. The project at **No. 81 Lockhart Road**, Wan Chai has been transformed into a Grade-A office building with a gross floor area of approximately 127,000 square feet.

Hotel and Hotel Related Operations

Emperor International engages in provision of hospitality services via Emperor E Hotel, which covers a total of six hotels and serviced apartments in Hong Kong and Macau, namely **The Emperor Hotel, The Unit Morrison Hill, The Unit Happy Valley, The Unit Davis, Grand Emperor Hotel** and **Inn Hotel Macau**.

The Unit Davis is a 22-storey serviced apartments building on Davis Street, within the Kennedy Town and Mount Davis area of Hong Kong Island, with a total of 57 units. Emperor International completed the disposal of **The Unit Davis** at a consideration of HK\$490.0 million to Emperor E Hotel during the Period. It has commenced operation in August 2022 and received an overwhelming response, with all units broadly being leased out subsequent to the Period, demonstrating solid market demand and widened the Emperor E Hotel's revenue base.

As a result of the discontinuation of gaming operation during the Period, Emperor E Hotel's total revenue decreased to HK\$108.6 million (2021: HK\$223.4 million). Prior to the cessation of gaming operation, the tough business operating environment affected its business performance; while one-off expenses such as severance payments arose after the cessation of gaming operation, hence loss for the Period attributable to owners of Emperor E Hotel of HK\$155.7 million (2021: HK\$84.0 million) was recorded. Basic loss per share was HK\$0.13 (2021: HK\$0.07).

Mr. Alex Yeung, Vice Chairman and Executive Director of Emperor International, said, "A number of ongoing unfavourable factors including geo-political tension, stock market turbulence and interest rate hikes in response to inflation in certain countries have led to an unstable macroeconomic environment, hence weakening the overall investment and consumption sentiment. There will be significant improvement in the office leasing market only when the business environment recovers and business travellers return. In the meantime, vacancies as well as office supply have been increasing, adding pressure to the market and leading to an even competitive landscape. For the retail market, the government's Consumption Voucher Scheme has stimulated retail sales, resulting in an overall positive influence on retail rents."

Mr. Donald Cheung, Executive Director of Emperor International, said, “Despite the near-term headwinds and a lacklustre economy, Hong Kong remains an attractive investment spot within the Asia Pacific region in the long run, considering its strategic role in the Greater Bay Area and role as a vital link for access to the China market. Emperor International has strived to maintain a balanced investment property portfolio to diversify business risk, and established a solid development properties pipeline, with an aim of seizing the opportunities when the market revives.”

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About Emperor International Holdings Limited

Emperor International is an investment holding company, which is principally engaged in property investment, property development and hospitality services, possessing a property portfolio of over 5.4 million square feet in the Greater China and overseas. Under its tri-engine business model, Emperor International owns and manages 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. With its management execution strengths and market insight, Emperor International aims to be a key property player in the Greater China. For more information, please visit its website: www.EmperorInt.com.

About Emperor Entertainment Hotel Limited

Emperor E Hotel currently runs 3 hotels and 3 serviced apartments in Hong Kong and Macau, namely ***The Emperor Hotel, The Unit Morrison Hill, The Unit Happy Valley, The Unit Davis, Grand Emperor Hotel*** and ***Inn Hotel Macau***, offering entertainment and leisure services, accommodation, food and beverage as well as retail outlets. Looking forward, Emperor E Hotel will continue to look for potential business opportunities worldwide in the hospitality sector. For more information, please visit its website: www.Emp296.com.

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