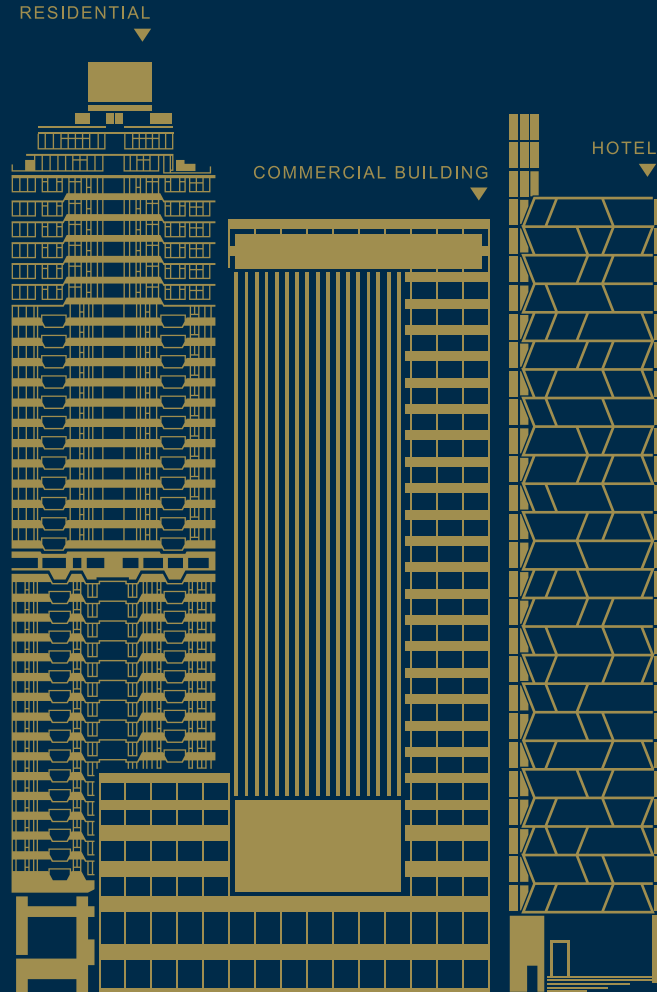




英皇集團(國際)有限公司
Emperor International Holdings Limited

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



INTERIM REPORT 2015/2016

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FINANCIAL SUMMARY

	Six months ended 30 September		Changes
	2015 (unaudited) HK\$'000	2014 (unaudited) HK\$'000	
Revenue			
– Lease of properties	398,464	337,220	+18.2%
– Properties development	2,430,943	–	N/A
– Hotel and hotel related operations	904,012	1,074,880	-15.9%
Total revenue	3,733,419	1,412,100	+164.4%
Gross profit	1,882,716	1,084,370	+73.6%
Revaluation (loss)/gain on investment properties	(1,206,567)	617,503	N/A
Total segment profit (excluding revaluation (loss)/gain)	1,266,850	687,412	+84.3%

MANAGEMENT DISCUSSION AND ANALYSIS

Emperor International Holdings Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) principally engage in property investments, property development and hospitality in the Greater China and overseas.

FINANCIAL REVIEW

Overall Review

During the six months ended 30 September 2015 (the “Period”), the Group reported a significant revenue growth by 164.4% to HK\$3,733.4 million (2014: HK\$1,412.1 million) which is mainly attributable to the sales of properties. The performance of rental income from the Group’s investment properties portfolio was relatively resilient, with growth of 18.2% to HK\$398.5 million (2014: HK\$337.2 million), representing 10.7% (2014: 23.9%) of total revenue. Since part of the sold units of *Upton* had been delivered to the customers during the Period, revenue from property development reached HK\$2,430.9 million (2014: Nil), representing 65.1% (2014: Nil) of total revenue. Due to a softening in demand for gaming and hospitality services in Macau, revenue from the hospitality segment was HK\$904.0 million (2014: HK\$1,074.9 million), accounting for 24.2% (2014: 76.1%) of the total revenue.

Gross profit increased to HK\$1,882.7 million (2014: HK\$1,084.4 million). Due to the recent downtrend of rental reversion of investment properties in prime locations, revaluation loss on properties during the Period was HK\$1,206.6 million, compared with the revaluation gain on properties of HK\$617.5 million in the same period last year. The total segment profit excluding revaluation loss/gain on properties increased significantly by 84.3% to HK\$1,266.9 million (2014: HK\$687.4 million). With the presence of the revaluation loss on properties, loss for the Period attributable to owners of the Company was HK\$591.7 million, compared with the profit for the period attributable to owners of the Company of HK\$775.5 million in the same period last year. Basic loss per share was HK\$0.16 (2014: basic earnings per share of HK\$0.21). The board of directors of the Company (the “Board” or the “Directors”) declared an interim dividend of HK\$0.045 per share (2014: HK\$0.05).

MANAGEMENT DISCUSSION AND ANALYSIS

Liquidity And Financial Resources

The Group owned a key property portfolio with an area of over 5 million square feet. As at 30 September 2015, the Group's net asset value and net asset value per share amounted to HK\$24,660.8 million (31 March 2015: HK\$25,558.9 million) and HK\$6.71 per share (31 March 2015: HK\$6.96), respectively.

The Group has cash, bank balances and bank deposits amounted to HK\$3,945.0 million as at 30 September 2015 (31 March 2015: HK\$3,807.6 million). The total external borrowings (excluding payables) amounted to approximately HK\$18,007.0 million (31 March 2015: HK\$16,959.6 million) and the Group's debt to total asset ratio was 36.9% (31 March 2015: 34.6%) (measured by total external borrowings as a percentage to the total asset value of the Group). In addition to its share capital and reserves, the Group made use of cash flow generated from operations, bank borrowings, unsecured notes and unsecured loans from a related company to finance its operation. The Group's bank borrowings were denominated in Hong Kong dollars and Renminbi ("RMB") and their interest rates followed market rates. The Group's bank balances and cash were also denominated in Hong Kong dollars, RMB and Macau Pataca ("MOP"). Due to the fluctuations in exchange rates over the past few months, the Group had certain exposure of foreign currency risks especially in RMB. However, the Group will closely monitor and take appropriate measures in order to mitigate the currency risks.

Capital Structure

During the Period, a total of 5,769,475 share options of the Company were exercised. The number of shares of the Company was then increased by 5,769,475. The Company's share capital and share premium were increased by approximately HK\$57,000 and HK\$11.3 million respectively, and the share option reserve of the Company was reduced by approximately HK\$1.2 million.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Investment Property

The Group's investment properties primarily focus on quality street-level retail spaces and commercial buildings at prominent locations. In recent years, the Group strives to enhance the proportion of commercial buildings among its existing property investment portfolio, aiming to diversify its rental income streams and ensure the Group is in a more resilient position to withstand market volatility.

Hong Kong – Retail Premises

During the Period, the overall occupancy rate of the Group's retail properties was over 97%, attributable to the majority of its premises being in prime locations. The Group owns many premium investment properties, with a strong focus on street level retail space at the key shopping districts in Hong Kong. Key investment properties include the retail spaces at *Nos. 8, 20, 22-24 and 50-56 Russell Street, No. 76 Percival Street and Nos. 507, 523 Lockhart Road* in Causeway Bay; *Nos. 4, 6 and 8 Canton Road, No. 81 Nathan Road, Nos. 35-37 Haiphong Road* and *Nos. 25-29, 43-49A Hankow Road* in Tsim Sha Tsui; *The Pulse* in Repulse Bay; *Fitfort Shopping Arcade* in North Point; and *Level 3, New Town Mansion Shopping Arcade* in Tuen Mun. During the Period, *Nos. 22-24 Russell Street* was leased to La Perla, an Italian luxury lingerie brand, on a whole block basis, as La Perla's largest flagship store worldwide.

Hong Kong – Office, Commercial & Residential Complexes

In addition to the above-mentioned retail spaces, the Group's rental income from complexes mainly includes *Emperor Group Centre, Empire Land Commercial Centre* and two commercial complexes at *No. 60 Gloucester Road* and *Nos. 75-79 Lockhart Road* in Wan Chai; a residential site at *Nos. 17-19 Yik Yam Street* in Happy Valley; an industrial complex at *Nos. 45-51 Kwok Shui Road* in Kwai Chung; and *New Media Tower* in Kwun Tong. The renovation and upgrading of the office tower of *No. 60 Gloucester Road* has been largely completed during the Period. The residential site at *Nos. 17-19 Yik Yam Street* is planned to be developed into 21-storey residential complex with 68 units for leasing-out, with anticipated completion in 2018. During the Period, the Group completed the acquisition of *Nos. 75-79 Lockhart Road* in Wanchai. The Group also acquired *Wincome Centre* in Central, a traditional commercial area. This is a 16-storey (including basement) building

MANAGEMENT DISCUSSION AND ANALYSIS

comprising three storeys of retail spaces and 13 storeys of office premises, with a total gross floor area of approximately 39,000 square feet. Situated at the junction of Des Voeux Road Central and Douglas Street, it is the busiest transportation hub in Central, in close proximity to Hong Kong MTR station.

Macau

In Macau, construction work at **Nos. 71-75 Avenida do Infante D. Henrique & Nos. 514-540 Avenida da Praia Grande** was in progress. Located at the city-centre shopping spot on the Peninsula, a traditional gaming area in Macau, it will become a signature complex in the town.

The People's Republic of China (the "PRC")

In the PRC, work was in progress during the Period on the superstructure of the prime commercial site on **Chang'an Avenue East**, Beijing. The site is set to be developed into a Grade-A office tower, with a gross floor area of approximately 1,000,000 square feet. The development will include a multi-storey retail podium, entertainment hot spots and parking facilities, and will next year become another landmark building along this prominent street of the PRC's capital city. The acquisition of this property including other costs payable relating to this property was financed by all the net proceeds from the top-up placing by the Company in 2006, bank borrowings and internal resources of the Group.

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. The Group expects that upon completion, this project will generate substantial and stable rental revenue.

London

The Group owns a seven-storey (including basement) retail and office complex at **Nos. 181-183 Oxford Street**, London. During the Period, the Group further acquired an eight-storey (including basement) retail and office complex at **Nos. 25-27 Oxford Street**, London, with a floor area of approximately 12,000 square feet. Such expansion can help to diversify the

MANAGEMENT DISCUSSION AND ANALYSIS

Group's property investment portfolio beyond Greater China. With premises at a prominent London shopping hub that is among the popular tourist spots for international visitors, the Group is optimistic regarding the potential rental increment and capital appreciation in the long-term.

Property Development

There is good progress with the Group's various development projects. *Upton*, a 42-storey luxury residential tower with panoramic views of Victoria Harbour, is on schedule for completion during the Period. It has a total floor area of approximately 185,000 square feet, with 125 flats. There was an overwhelming market response, and 80.0% of the flats have been sold as at 30 September 2015. Part of its sales proceeds has been recognised during the Period.

During the Period, all of the remaining units of *The Prince Place* and part of the remaining units of *18 Upper East* were sold. Such sales proceeds has been recognised during the Period.

Another site, at *Tuen Mun Town Lot No. 436, Kwun Fat Street, Siu Lam*, Tuen Mun, with a total floor area of approximately 39,000 square feet, will be developed into 14 low-rise detached or semi-detached houses. During the Period, its superstructure work was nearly completed. The sale of completed units will commence subsequent to the Period. The related sales proceeds will be recognised in the 2016/2017 financial year.

A residential site with a sea view, at *Tuen Mun Town Lot No. 490, Tai Lam*, Tuen Mun, with a total floor area of approximately 29,000 square feet, will be developed into a luxurious low-rise development comprising a mixture of detached houses and apartments. This project is expected to be completed in mid-2018. This site, together with the site in *Siu Lam*, will be well served by a superb transportation network of Hong Kong–Shenzhen Western Corridor as well as the future Tuen Mun–Chek Lap Kok Link and Hong Kong–Zhuhai–Macau Bridge. The sites are also close to Harrow International School Hong Kong, the Hong Kong branch of the prestigious, UK-based Harrow School.

MANAGEMENT DISCUSSION AND ANALYSIS

Another luxury residential project (in collaboration with two partners) at **Rural Building Lot No. 1198, Shouson Hill**, Hong Kong, with a total area of approximately 117,000 square feet, will be developed into 20 low-density luxury houses, with comprehensive auxiliary facilities. This development opportunity is very precious as it is in a traditional luxury residential area. The entire project is expected to be completed in 2018.

During the Period, the Group won the bid for development of a residential site at **New Kowloon Lot No. 6538, Fuk Wing Street, Sham Shui Po**, Kowloon, and undertook an urban redevelopment project with a total floor area of approximately 54,000 square feet. This is planned to be redeveloped into a 26-storey residential tower with more than 130 flats, with completion scheduled for 2018. The Group also acquired a six-storey residential building with a total floor area of approximately 14,000 square feet at **Nos. 8-10A Mosque Street, Mid-Levels**, Hong Kong. This is planned to be redeveloped into a luxury residential tower with a gross floor area of approximately 32,000 square feet in 2019.

Hotel Operations and Related Services

Emperor Hotels Group has been established to cover several hotels and serviced apartments in Hong Kong and Macau, and is dedicated to the Group's ongoing efforts and comprehensive development of hotel operations. In Hong Kong, it currently covers **Emperor (Happy Valley) Hotel, Inn Hotel Hong Kong, MORI MORI Serviced Apartments** and a new hotel development project in Wanchai. In Macau, it covers **Grand Emperor Hotel** and **Inn Hotel Macau**, where income from hospitality and gaming has been consolidated with the Group.

Located in Happy Valley, **Emperor (Happy Valley) Hotel** is the Group's flagship project, with the classic beauty of European architecture and décor. It is a 26-storey hotel offering 150 guest rooms, with a gross floor area of approximately 84,000 square feet. **Golden Valley**, a restaurant offering Cantonese and Sichuan cuisine in the hotel, has been awarded Michelin one-star for the fifth consecutive year.

MANAGEMENT DISCUSSION AND ANALYSIS

Located in Yau Ma Tei, Kowloon, *Inn Hotel Hong Kong* is a 30-storey hotel offering 200 guest rooms, with a gross floor area of approximately 48,000 square feet. With easy access to established shopping areas and Ladies' Market in Mong Kok, as well as Jade Market in Yau Ma Tei, it is conveniently located in a major entertainment, shopping and dining district, ensuring guests will truly experience Hong Kong as a vibrant and fascinating city.

Situated at the vibrant junction of Wanchai 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 living.

Meanwhile, foundation and superstructure work at *No. 373 Queen's Road East*, Wan Chai, was in progress during the Period. With a gross floor area of approximately 115,000 square feet, this will be developed into a 29-storey hotel offering 300 guest rooms as well as leisure, dining and parking facilities. The hotel is expected to be completed in 2016. It will be a signature hotel project under *Emperor Hotels Group*, which can further enhance brand recognition in the hospitality segment.

Grand Emperor Hotel is another of the Group's flagship projects, located on the Peninsula, Macau. 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 total gross floor area of approximately 209,000 square feet, and 287 guest rooms. Through extending coverage from the Peninsula to Taipa, the Group can fully capture the potential of Macau's hospitality market.

MANAGEMENT DISCUSSION AND ANALYSIS

OUTLOOK

The Group will continue to source quality and upscale investment properties with good potential in Greater China and also in major cities in the world, to enhance its investment property portfolio and continue to provide a significant source of recurrent rental income in the long-run. In order to leverage the potential decline of rental income from retail spaces, the Group is adopting a pro-active approach to optimise the balance between retail and non-retail premises, given that the leasing demand of commercial complexes in the key local commercial district areas remains strong. The office tower of **No. 60 Gloucester Road** has been renovated, in preparation for handover to the single tenant, on a whole office block basis, in the near future. Leveraging on its sustained high occupancies and contributions from new investment properties, the Group's rental income is expected to stay steady in the 2015/2016 financial year.

The residential market is anticipated to remain positive, given the solid demand from end-users, with ongoing growth in household formation and rising personal incomes. The Group is building a steady development projects pipeline for providing long-term contributions through the sale of residential units. **Upton**, the luxury residential sites in **Siu Lam** and **Shouson Hill**, along with the redevelopment project at **Mosque Street** once again demonstrate the Group's strategic focus on premium residential projects. The sales proceeds of the luxury low-rise houses in **Siu Lam** are expected to be reflected in the earnings of the 2016/2017 financial year. Looking ahead, the Group will continue to replenish its land bank for strengthening earnings and shareholders' value.

Supported by ongoing large-scale infrastructure construction and gradually increasing income levels, the Hong Kong economy is expected to continue growing at a moderate pace in the 2015/2016 financial year. The Group remains prudent in seeking investment opportunities to enhance shareholders' returns. The Group is constantly looking for business opportunities through property assembly, acquisition of old buildings and tenders for government land. With its management execution strength and market insight, the Group will strive to further enhance its competitive position, and aim to become a key property player in the Greater China region.

MANAGEMENT DISCUSSION AND ANALYSIS

EMPLOYEES AND REMUNERATION POLICY

The total cost incurred for staff including Directors' emoluments amounted to HK\$309.3 million during the Period (2014: HK\$299.7 million). The number of staff was 1,768 as at the end of the Period (2014: 1,706). Employee's remuneration was determined in accordance with individual's responsibilities, 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 are set out in the section headed "Share Options" of this interim report.

ASSETS PLEDGED

As at 30 September 2015, assets with carrying value of HK\$37,237.9 million (31 March 2015: HK\$39,355.4 million) were pledged as security for banking facilities.

INTERIM DIVIDEND

The Board declared an interim dividend of HK\$0.045 per share ("Interim Dividend") for the financial year ending 31 March 2016 (2014/2015: HK\$0.05 per share) amounting to approximately HK\$165.5 million (2014/2015: HK\$183.6 million). The Interim Dividend will be payable on 17 December 2015 (Thursday) to shareholders whose names appear on the register of members of the Company on 11 December 2015 (Friday).

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 10 December 2015 (Thursday) to 11 December 2015 (Friday), 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 Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. on 9 December 2015 (Wednesday).

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 September 2015

	Notes	Six months ended 30 September	
		2015 (unaudited) HK\$'000	2014 (unaudited) HK\$'000
Revenue		3,733,419	1,412,100
Cost of properties sales		(1,488,065)	–
Cost of hotel and hotel related operations		(327,133)	(310,797)
Direct operating expenses in respect of leasing of investment properties		(35,505)	(16,933)
Gross profit		1,882,716	1,084,370
Other income		71,931	57,807
Fair value changes of investment properties		(1,206,567)	617,503
Impairment loss on prepaid lease payments		(41,199)	–
Other gains and losses		(22,323)	(1,831)
Selling and marketing expenses		(363,089)	(264,520)
Administrative expenses		(289,895)	(215,728)
Share of result of a joint venture		(45)	(15)
Profit from operations	4	31,529	1,277,586
Finance costs		(210,002)	(138,787)
(Loss) profit before taxation		(178,473)	1,138,799
Taxation	5	(327,637)	(155,462)
(Loss) profit for the period		(506,110)	983,337
Other comprehensive (expense) income			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of foreign subsidiaries		(170,977)	2,177
Total comprehensive (expense) income for the period		(677,087)	985,514

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 September 2015

		Six months ended 30 September 2015 (unaudited) HK\$'000	2014 (unaudited) HK\$'000
	Notes		
(Loss) profit for the period attributable to:			
Owners of the Company		(591,701)	775,481
Non-controlling interests		85,591	207,856
		(506,110)	983,337
Total comprehensive (expense) income for the period attributable to:			
Owners of the Company		(762,595)	777,655
Non-controlling interests		85,508	207,859
		(677,087)	985,514
(Loss) earnings per share	6		
Basic		(HK\$0.16)	HK\$0.21
Diluted		(HK\$0.16)	HK\$0.21

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At at 30 September 2015

		As at 30 September 2015 (unaudited) Notes HK\$'000	31 March 2015 (audited) HK\$'000
Non-current assets			
Investment properties	8	36,767,375	36,525,060
Property, plant and equipment	8	3,255,978	3,261,792
Deposits paid for acquisition of investment properties/property, plant and equipment		139,965	127,390
Receivables related to a development project		180,911	187,471
Prepaid lease payments		576,530	625,876
Interest in a joint venture	9	585,069	572,474
Goodwill		56,683	56,683
Pledged bank deposits		30,252	–
Other assets		4,092	4,092
		41,596,855	41,360,838
Current assets			
Inventories		13,722	14,827
Properties held for sale	10	1,086,624	202,071
Properties under development for sale	8	1,302,666	2,641,237
Prepaid lease payments		17,498	18,702
Trade and other receivables	11	906,808	941,085
Derivative financial instruments		–	3,241
Taxation recoverable		12,275	11,520
Deposit in designated bank account for development properties		9,781	10,072
Pledged bank deposits		1,409,511	2,450,870
Short-term bank deposit		19,682	–
Bank balances and cash		2,485,564	1,356,769
		7,264,131	7,650,394

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At at 30 September 2015

		As at 30 September 2015 (unaudited) Notes HK\$'000	31 March 2015 (audited) HK\$'000
Current liabilities			
Trade and other payables	12	1,476,739	2,138,073
Amount due to a related company		432,067	456,108
Amounts due to non-controlling interests of subsidiaries		140,489	152,576
Derivative financial instruments		20,297	1,084
Taxation payable		600,687	443,240
Bank and other borrowings			
– due within one year		3,275,439	2,861,948
		5,945,718	6,053,029
Net current assets		1,318,413	1,597,365
Total assets less current liabilities		42,915,268	42,958,203
Non-current liabilities			
Amount due to a related company		3,320,353	3,062,083
Unsecured notes		3,768,828	3,761,206
Derivative financial instruments		–	23,324
Bank and other borrowings			
– due after one year		7,069,823	6,665,704
Deferred taxation		1,150,181	998,088
		15,309,185	14,510,405
		27,606,083	28,447,798
Capital and reserves			
Share capital		36,775	36,718
Reserves		24,624,028	25,522,133
Equity attributable to owners of the Company		24,660,803	25,558,851
Non-controlling interests		2,945,280	2,888,947
		27,606,083	28,447,798

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2015

	Attributable to owners of the Company								Non-controlling interests	Total HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Translation reserve HK\$'000	Share option reserve HK\$'000	Asset revaluation reserve HK\$'000	Other reserve HK\$'000	Accumulated profits HK\$'000	Total HK\$'000		
As at 1 April 2015 (audited)	36,718	4,551,984	328,339	3,575	123,773	598,549	19,915,913	25,558,851	2,888,947	28,447,798
(Loss) profit for the period	-	-	-	-	-	-	(591,701)	(591,701)	85,591	(506,110)
Exchange differences arising on translation of foreign subsidiaries	-	-	(170,894)	-	-	-	-	(170,894)	(83)	(170,977)
Total comprehensive (expense) income for the period	-	-	(170,894)	-	-	-	(591,701)	(762,595)	85,508	(677,087)
Deemed capital contribution arising from fair value adjustment on initial recognition on amount due to a related company	-	-	-	-	-	74,993	-	74,993	-	74,993
Share options lapsed during the period	-	-	-	(2,327)	-	-	2,327	-	-	-
Issue of shares upon exercise of share options	57	11,264	-	(1,248)	-	-	-	10,073	-	10,073
Depreciation attributable to revaluation surplus	-	-	-	-	(786)	-	920	134	-	134
Dividend paid to owners of the Company	-	-	-	-	-	-	(220,653)	(220,653)	-	(220,653)
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	(29,175)	(29,175)
As at 30 September 2015 (unaudited)	36,775	4,563,248	157,445	-	122,987	673,542	19,106,806	24,660,803	2,945,280	27,606,083
As at 1 April 2014 (audited)	36,718	4,551,984	322,619	3,575	125,445	496,185	19,416,054	24,952,580	2,581,206	27,533,786
Profit for the period	-	-	-	-	-	-	775,481	775,481	207,856	983,337
Exchange differences arising on translation of foreign subsidiaries	-	-	2,174	-	-	-	-	2,174	3	2,177
Total comprehensive income for the period	-	-	2,174	-	-	-	775,481	777,655	207,859	985,514
Deemed capital contribution arising from fair value adjustment on initial recognition on amount due to a related company	-	-	-	-	-	224,095	-	224,095	-	224,095
Acquisition of additional interest in subsidiaries	-	-	-	-	-	864	-	864	(7,488)	(6,624)
Depreciation attributable to revaluation surplus	-	-	-	-	(885)	-	1,033	148	-	148
Dividend paid to owners of the Company	-	-	-	-	-	-	(216,635)	(216,635)	-	(216,635)
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	(36,743)	(36,743)
As at 30 September 2014 (unaudited)	36,718	4,551,984	324,793	3,575	124,560	721,144	19,975,933	25,738,707	2,744,834	28,483,541

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2015

	Six months ended 30 September	
	2015 (unaudited) HK\$'000	2014 (unaudited) HK\$'000
Net cash generated from operating activities	1,178,081	680,328
Net cash used in investing activities	(713,276)	(678,728)
Net cash generated from financing activities	684,931	718,572
Net increase in cash and cash equivalents	1,149,736	720,172
Effect of foreign exchange rate changes	(20,941)	(41)
Cash and cash equivalents at the beginning of the period	1,356,769	764,769
Cash and cash equivalents at the end of the period	2,485,564	1,484,900

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2015

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 (“Listing Rules”) on The Stock Exchange of Hong Kong Limited (“Stock Exchange”) and Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

These condensed consolidated financial statements should be read in conjunction with the annual financial statements for the year ended 31 March 2015.

2. PRINCIPAL ACCOUNTING POLICIES

The unaudited condensed consolidated financial statements have been prepared on the historical cost basis except for certain investment properties and financial instruments, which are measured at fair values, as appropriate.

In the Period, the Group has adopted, for the first time, the following new amendments to Hong Kong Financial Reporting Standards (the “HKFRSs”) issued by the HKICPA that are mandatorily effective for annual periods beginning on or after 1 April 2015. Except for as described below, the accounting policies used in the unaudited condensed consolidated financial statements are consistent with those followed in the preparation of the Group’s annual financial statements for the year ended 31 March 2015.

Amendments to HKAS 19	Defined benefit plans: Employee contributions
Amendments to HKFRS	Annual improvements to HKFRSs 2010-2012 Cycle
Amendments to HKFRS	Annual improvements to HKFRSs 2011-2013 Cycle

The application of the above new amendments in the Period has had no material effect on the amounts and/or disclosures reported in these condensed consolidated financial statements.

The Group had not early applied any new or revised HKFRSs that have been issued but are not yet effective for the Period.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2015

3. 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. 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.

	Segment revenue Six months ended 30 September		Segment results Six months ended 30 September	
	2015 (unaudited) HK\$'000	2014 (unaudited) HK\$'000	2015 (unaudited) HK\$'000	2014 (unaudited) HK\$'000
Business segments				
Lease of properties	398,464	337,220	(859,933)	926,345
Properties development	2,430,943	–	766,962	(4,412)
Hotel and hotel related operations	904,012	1,074,880	153,254	382,982
	3,733,419	1,412,100	60,283	1,304,915
Interest income			53,175	39,458
Unallocated corporate expenses, net			(59,561)	(64,941)
Net loss on fair value changes in derivative financial instruments			(22,323)	(1,831)
Finance costs			(210,002)	(138,787)
Share of result of a joint venture			(45)	(15)
Taxation			(327,637)	(155,462)
(Loss) profit for the period			(506,110)	983,337

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2015

4. PROFIT FROM OPERATIONS

Profit from operations for the Period has been arrived at after charging amortisation and depreciation of approximately HK\$111,529,000 (2014: HK\$99,831,000) in respect of the Group's property, plant and equipment.

5. TAXATION

	Six months ended 30 September	
	2015 (unaudited) HK\$'000	2014 (unaudited) HK\$'000
Tax charge comprises:		
Current tax		
Hong Kong Profits Tax	(119,685)	(23,967)
Macau Complementary Income Tax ("CT")	(34,172)	(46,398)
	(153,857)	(70,365)
Deferred taxation	(173,780)	(85,097)
	(327,637)	(155,462)

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

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2015

6. (LOSS) EARNINGS PER SHARE

The calculation of basic and diluted (loss) earnings per share attributable to the ordinary equity holders of the Company are based on the following data:

	Six months ended 30 September	
	2015	2014
	(unaudited)	(unaudited)
	HK\$'000	HK\$'000
(Loss) earnings		
(Loss) earnings ((loss) profit for the period attributable to owners of the Company) for the purposes of basic and diluted (loss) earnings per share	(591,701)	775,481

	Six months ended 30 September	
	2015	2014
	(unaudited)	(unaudited)
Number of shares		
Weighted average number of ordinary shares in issue for the purpose of basic (loss) earnings per share	3,674,834,329	3,671,776,192
Effect of dilutive potential ordinary shares:		
Share options of the Company	–	150,358
Weighted average number of ordinary shares for the purpose of diluted (loss) earnings per share	3,674,834,329	3,671,926,550

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2015

6. (LOSS) EARNINGS PER SHARE (continued)

The calculation of diluted (loss) earnings per share is based on the (loss) profit attributable to owners of the Company and the weighted average number of ordinary shares adjusted by the weighted average number of ordinary shares assumed to have been issued under the Company's share option scheme. The Company and its subsidiary, Emperor Entertainment Hotel Limited ("Emperor E Hotel"), do not have any dilutive potential ordinary share for the Period.

7. DIVIDEND

	Six months ended	
	30 September 2015	2014
	(unaudited) HK\$'000	(unaudited) HK\$'000
Final dividend of HK\$0.06 per share for the year ended 31 March 2015 paid during the period (year ended 31 March 2014: HK\$0.059)	220,653	216,635

In respect of the Period, the Directors have resolved to declare an interim dividend of HK\$0.045 (2014: HK\$0.05) per share to shareholders.

8. 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\$1,603,478,000 (2014: HK\$263,134,000).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2015

8. ADDITIONS TO INVESTMENT PROPERTIES, PROPERTY, PLANT AND EQUIPMENT AND PROPERTIES UNDER DEVELOPMENT FOR SALE *(continued)*

Investment properties *(continued)*

The fair values of the Group's investment properties at 30 September 2015 and 31 March 2015 have been arrived at on the basis of a valuation carried out by Memfus Wong Surveyors Limited, an independent firm of qualified professional property valuers not connected with the Group, in accordance with the HKIS Valuation Standards (2012 Edition) issued by Hong Kong Institute of Surveyors.

For completed investment properties, the valuations have been arrived at with reference to market evidence of recent transaction prices for similar properties and 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 accounts for differences in the locations and other factors specific to determine the potential sales proceeds, and deducting the development costs and required profit margins from the investment properties which are derived from the interpretation of prevailing investor requirements or expectations at the valuation dates.

The resulting decrease (2014: increase) in fair value of investment properties of approximately HK\$1,206,567,000 (2014: HK\$617,503,000) has been recognised directly in profit or loss for the Period.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2015

8. ADDITIONS TO INVESTMENT PROPERTIES, PROPERTY, PLANT AND EQUIPMENT AND PROPERTIES UNDER DEVELOPMENT FOR SALE (continued)

Property, plant and equipment and properties under development for sale

During the Period, the Group acquired property, plant and equipment and properties under development for sale amounting to approximately HK\$88,908,000 and HK\$770,652,000 (2014: HK\$147,003,000 and HK\$238,872,000) respectively.

9. 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 30 September 2015, the Group has given corporate guarantee of HK\$941,600,000 (31 March 2015: HK\$941,600,000) to a bank in respect of banking facilities granted to Talent Charm, of which HK\$546,000,000 (31 March 2015: HK\$542,000,000) has been utilised. In the opinion of the Directors, the fair value of the guarantee is not significant.

10. PROPERTIES HELD FOR SALE

The properties held for sale comprise properties:

	As at	
	30 September 2015 (unaudited) HK\$'000	31 March 2015 (audited) HK\$'000
Situated in Hong Kong under:		
– long leases	1,085,623	159,478
– medium-term leases	520	42,096
	1,086,143	201,574
Situated in the PRC and held under land use rights with terms expiring within 50 years	481	497
	1,086,624	202,071

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2015

11. TRADE AND OTHER RECEIVABLES

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

	As at	
	30 September 2015 (unaudited) HK\$'000	31 March 2015 (audited) HK\$'000
0 – 30 days	124,068	179,172
31 – 90 days	3,258	6,715
91 – 180 days	3,379	856
Over 180 days	12,690	13,628
	143,395	200,371
Chips on hand	141,509	135,386
Other receivables	381,442	438,043
Deposits and prepayments	240,462	167,285
	906,808	941,085

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 on 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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2015

11. TRADE AND OTHER RECEIVABLES (continued)

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 terms are extended to a longer period.

Included in other receivables are amounts due from related companies of HK\$28,285,000 (as at 31 March 2015: HK\$30,625,000). These related companies are indirectly controlled by Albert Yeung Holdings Limited (“AY Holdings”), being the ultimate holding company of the Company. The amounts are unsecured, interest-free and repayable within one year.

12. 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:

	As at	
	30 September	31 March
	2015	2015
	(unaudited)	(audited)
	HK\$’000	HK\$’000
0 – 90 days	29,240	29,946
91 – 180 days	181	181
Over 180 days	9	9
	29,430	30,136
Construction payables and accruals	667,227	543,171
Other payables and accruals	275,915	266,361
Rental deposits received	282,830	251,973
Deposits received from pre-sale of properties	221,337	1,046,432
	1,476,739	2,138,073

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2015

13. ACQUISITIONS

During the Period, the Group has acquired the following material property interests:

- (a) In June 2015, the Group acquired property interests located at 25-27 Oxford Street, London, W1D 2DW, United Kingdom at a cash consideration of £35,500,000 (approximately HK\$419,646,000).
- (b) In June 2015, the Group acquired property interests located at 75-79 Lockhart Road, Wan Chai, Hong Kong through acquisition of Apex Delight Holdings Limited at a cash consideration of HK\$683,000,000.
- (c) In September 2015, the Group acquired property interests located at 8-10A Mosque Street, Mid-levels, Hong Kong at a cash consideration of HK\$403,800,000.

14. CAPITAL COMMITMENTS

	As at 30 September 2015 (unaudited) HK\$'000	31 March 2015 (audited) HK\$'000
Authorised but not contracted for in respect of:		
– properties under development for sale	466,312	483,125
– investment properties	561,503	442,045
– property, plant and equipment	107,301	109,790
	1,135,116	1,034,960
Contracted for but not provided in the consolidated financial statements, net of deposits paid, in respect of:		
– properties under development for sale	177,848	687,808
– investment properties	1,795,699	1,860,795
– property, plant and equipment	467,897	637,757
	2,441,444	3,186,360
	3,576,560	4,221,320

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2015

15. RELATED PARTY TRANSACTIONS

- (a) Other than disclosed in note 11, the Group also had the following significant transactions with related parties during the Period:

	Six months ended	
	30 September	
	2015	2014
	(unaudited)	(unaudited)
	HK\$'000	HK\$'000
Advertising and other expenses to related companies	58	294
Commission to Dr. Yeung Sau Shing, Albert (“Dr. Albert Yeung”) in capacity of a patron of the Group’s VIP rooms	361	1,365
Hotel and restaurant income from related companies	134	285
Interest expenses to related companies	66,350	53,832
Interest income from a joint venture	6,239	–
Interest income from a shareholder of a joint venture	–	928
Purchase of property, plant and equipment and merchandising goods from related companies	5,126	694
Financial services expenses to related companies	480	28,480
Rental income from related companies	143,429	145,331
Secretarial fee expenses to a related company	470	360
Share of administrative expenses by related companies	33,361	33,629

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2015

15. RELATED PARTY TRANSACTIONS (continued)

- (b) The key management personnel of the Company are Directors and the total remunerations paid to them are as follows:

	Six months ended	
	30 September	
	2015	2014
	(unaudited)	(unaudited)
	HK\$'000	HK\$'000
Fees	706	675
Salaries and other short term benefit	5,511	5,107
	6,217	5,782

- (c) Rent-free quarter to Dr. Albert Yeung

The Group had entered into an accommodation contract with Dr. Albert Yeung under which the Group provided Dr. Albert Yeung and his associates (including Ms. Luk Siu Man, Semon (“Ms. Semon Luk”), Chairperson and Non-executive Director of the Company and the spouse of Dr. Albert Yeung) the exclusive right to use and occupy a property of the Group as rent-free quarter (including related expenses in relation to the usage of the property) as his emolument for his services as a consultant of the Group. The market rental values and the related expenses of the quarter for the Period was approximately HK\$5,014,000 (2014: HK\$5,133,000).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2015

15. RELATED PARTY TRANSACTIONS (continued)

(d) Amounts due to related parties

	As at	
	30 September 2015 (unaudited) HK\$'000	31 March 2015 (audited) HK\$'000
Amounts due to non-controlling interests of subsidiaries	140,489	152,576
Amount due to a related company	3,752,420	3,518,191

Related companies are companies controlled by a Director of the Company or the Company's ultimate holding company, AY Holdings. AY Holdings is held by STC International Limited ("STC International"), being the trustee of The Albert Yeung Discretionary Trust ("AY Trust") of which Dr. Albert Yeung, the spouse of Ms. Semon Luk, is the settlor and founder.

16. PLEDGE OF ASSETS

As at 30 September 2015 and 31 March 2015, certain assets of the Group were pledged to banks to secure banking facilities granted to the Group. The carrying values of these assets at the end of the reporting period were as follows:

	As at	
	30 September 2015 (unaudited) HK\$'000	31 March 2015 (audited) HK\$'000
Bank deposits	1,439,440	2,450,549
Investment properties	31,767,872	30,844,592
Properties under development for sale	409,507	2,441,767
Buildings, including relevant leasehold land in Hong Kong	75,942	77,048
Hotel properties and hotel properties under construction, including relevant leasehold land in Hong Kong	2,842,713	2,822,772
Prepaid lease payments	594,028	644,578
Others (Note)	108,408	74,078
	37,237,910	39,355,384

Note: Others represent floating charges over certain other assets of the Group including principally property, plant and equipment (other than hotel properties), inventories, trade and other receivables and bank balances.

The Group also had a bank deposit of HK\$323,000 (as at 31 March 2015: HK\$321,000) pledged to a bank to secure for the use of ferry ticket equipment provided by a third party to the Group.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2015

17. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

Fair value of the Group's financial assets and financial liabilities are measured at fair value on a recurring basis.

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation techniques and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

	Fair value as at			
	30 September 2015 (unaudited) HK\$'000	31 March 2015 (audited) HK\$'000	Fair value hierarchy	Valuation techniques and key inputs
Financial assets				
(i) Foreign currency forward contracts	–	3,241	Level 2	Discounted cash flow: Future cashflows are estimated based on forward foreign currency rates (from observable yield curves at the end of the reporting period) and contract foreign currency rates, discounted at a rate that reflects the credit risk of various counterparties.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2015

17. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (continued)

	Fair value as at		Fair value hierarchy	Valuation techniques and key inputs
	30 September 2015 (unaudited) HK\$'000	31 March 2015 (audited) HK\$'000		
Financial liabilities				
(i) Foreign currency forward contracts	(14,406)	(15,040)	Level 2	Discounted cash flow: Future cashflows are estimated based on forward foreign currency rates (from observable yield curves at the end of the reporting period) and contract foreign currency rates, discounted at a rate that reflects the credit risk of various counterparties.
(ii) Interest rate swap contract	(5,891)	(9,368)	Level 2	Discounted cash flow: Future cashflows are estimated based on forward interest rates (from observable yield curves at the end of the reporting period) and contract interest rates, discounted at a rate that reflects the credit risk of various counterparties.

There were no transfers between Level 1, 2 and 3 during the period ended 30 September 2015 and year ended 31 March 2015.

The Directors of the Group consider that the carrying amounts of other financial assets and financial liabilities recorded at amortised cost in the condensed consolidated financial statements approximate their fair values.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SECURITIES

As at 30 September 2015, the following Directors and chief executives of the Company had or were deemed or taken to have interests and short positions in the following shares, underlying shares and debentures of the Company and its associated corporation(s) (within the meaning of Part XV of the Securities and Futures Ordinance (“SFO”)) as recorded in the register maintained by the Company pursuant to Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) of the Listing Rules and the Company’s own code of conduct regarding securities transactions by Directors (“EIHL Securities Code”):

(A) LONG POSITIONS INTERESTS IN THE COMPANY

(i) Ordinary shares of HK\$0.01 each of the Company (the “Shares”)

<u>Name of Director</u>	<u>Capacity/ Nature of interests</u>	<u>Number of issued Shares held</u>	<u>Approximate % holding</u>
Ms. Semon Luk	Interest of spouse	2,747,610,489 (Note 1)	74.71%
Ms. Fan Man Seung, Vanessa (“Ms. Vanessa Fan”)	Beneficial owner	10,769,475	0.29%

(ii) Debentures

<u>Name of Director</u>	<u>Capacity/Nature of interests</u>	<u>Amount of debentures held</u>
Ms. Semon Luk	Interest of spouse	HK\$270,000,000 (Note 2)

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SECURITIES

(A) LONG POSITIONS INTERESTS IN THE COMPANY *(continued)*

Notes:

- These Shares were held by Emperor International Group Holdings Limited ("Emperor International Group Holdings"), a wholly-owned subsidiary of AY Holdings. AY Holdings is held by STC International, being the trustee of the AY Trust, a discretionary trust set up by Dr. Albert Yeung. Dr. Albert Yeung, as founder of the AY Trust, had deemed interests in the said Shares held by Emperor International Group Holdings. By virtue of being the spouse of Dr. Albert Yeung, Ms. Semon Luk also had deemed interests in the same Shares.
- These debentures were ultimately owned by the AY Trust as founded by Dr. Albert Yeung. By virtue of being the spouse of Dr. Albert Yeung, Ms. Semon Luk also had deemed interests in the debentures.

(B) LONG POSITIONS INTERESTS IN ASSOCIATED CORPORATIONS

Ordinary shares

Name of Director	Name of associated corporation	Capacity/ Nature of interests	Number of issued ordinary shares held	Approximate % holding
Ms. Semon Luk	Emperor E Hotel	Interest of spouse	816,287,845	62.67%
	Emperor Watch & Jewellery Limited ("Emperor W&J")	Interest of spouse	3,617,860,000	52.57%

Note:

Emperor E Hotel and Emperor W&J are companies with their shares listed on the Stock Exchange. These respective shares were ultimately owned by AY Holdings which is in turn held by STC International, being the trustee of the AY Trust. Dr. Albert Yeung, as founder of the AY Trust, had deemed interests in these shares. By virtue of being the spouse of Dr. Albert Yeung, Ms. Semon Luk, a Director of the Company, also had deemed interests in the same shares.

Save as disclosed above, as at 30 September 2015, none of the Directors nor chief executives of the Company had any interests or short positions in any Shares, underlying Shares and debentures of the Company or any of its associated corporation(s) (within the meaning of Part XV of the SFO).

OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SECURITIES

As at 30 September 2015, so far as is known to any Directors or chief executives of the Company, the following persons or corporations (other than a Director or a chief executive of the Company) who had, or were deemed or taken to have interests and short positions in the Shares or underlying Shares as recorded in the register required to be kept under Section 336 of the SFO or as otherwise notified to the Company were as follows:

LONG POSITIONS IN SHARES OF THE COMPANY

Name of shareholder	Capacity/ Nature of interests	Number of Shares/ underlying Shares held	Approximate % holding
AY Holdings	Interest in a controlled corporation	2,747,610,489	74.71%
STC International	Trustee of the AY Trust	2,747,610,489	74.71%
Dr. Albert Yeung	Founder of the AY Trust	2,747,610,489	74.71%

Note: These Shares were the same shares as those held by Ms. Semon Luk set out under Section (A)(i) of "Directors' and Chief Executives' Interests and Short Positions in Securities" above.

All interests stated above represent long positions. As at 30 September 2015, no short positions were recorded in the SFO register of the Company.

Save as disclosed above, as at 30 September 2015, the Directors or chief executives of the Company were not aware of any other persons or corporations (other than the Directors and chief executives of the Company) who had, or were deemed or taken to have, any interests or short positions in Shares or underlying Shares as recorded in the register required to be kept under Section 336 of the SFO or as otherwise notified to the Company.

SHARE OPTIONS AND OTHER INFORMATION

SHARE OPTIONS

The share option scheme adopted by the Company on 9 September 2003 (“Old Share Option Scheme”) has lapsed automatically in September 2013 upon the expiry of the 10-year period. Following the expiry of the Old Share Option Scheme, no further share options can be granted thereunder but outstanding share options granted under the Old Share Option Scheme shall continue to be valid and exercisable.

In order to ensure the continuity of a share option scheme for the Company to provide incentives or rewards to participants including the Directors and eligible employees of the Group, the shareholders of the Company passed an ordinary resolution at the annual general meeting of the Company held on 8 August 2013 to approve the adoption of a new share option scheme (“New Share Option Scheme”) which was adopted on 15 August 2013. Since then, no share options were granted thereunder.

A summary of the Old Share Option Scheme and New Share Option Scheme is set out as follows:

No.	Description	Old Share Option Scheme	New Share Option Scheme
1	<i>Purpose</i>	To enable the Group to attract, retain and motivate talented eligible participants to strive for future development and expansion of the Group.	
2	<i>Eligibility</i>	Eligible participants include employees (whether full-time or part time, including Non-executive Director) and such other eligible participants.	
3	(a) <i>Total number of Shares available for issue upon exercise of options to be granted</i> as at 24 June 2015 (i.e. the date of the last Annual Report) and as at 18 November 2015 (i.e. the date of this Interim Report)	Not applicable (lapsed in September 2013)	366,677,619 Shares
	(b) <i>Percentage of the issued shares</i> that it represents as at 24 June 2015 and 18 November 2015	Not applicable	9.99% (as at 24 June 2015) 9.97% (as at 18 November 2015)

SHARE OPTIONS AND OTHER INFORMATION

SHARE OPTIONS *(continued)*

No.	Description	Old Share Option Scheme	New Share Option Scheme
4	Maximum entitlement of each eligible participant	(a) not to exceed 1% of the Shares in issue in any 12-month period unless approved by the shareholders of the Company; (b) options granted to substantial shareholders or Independent Non-executive Directors or their respective associates in any one year exceeding the higher of 0.1% of the Shares in issue and with a value in excess of HK\$5,000,000 must be approved by the shareholders of the Company.	
5	Period within which the Shares must be taken up under an option	from the date of grant of the option to such a date determined by the Board but in any event not exceeding 10 years from the date of grant.	
6	Minimum period for which an option must be held before it can be exercised	No minimum period unless otherwise determined by the Board.	
7	(a) Price payable on application or acceptance of the option	HK\$1.00	
	(b) The period within which payments or calls must or may be made	Within 28 days from the date of grant	
	(c) Period within which loans for such purposes of the payments or calls must be repaid	Not applicable	
8	Basis for determining the exercise price	The exercise price is determined by the Board and will not be less than the highest of (a) the closing price of the Share on the date of grant; (b) the average closing price of the Shares for the five business days immediately preceding the date of grant; and (c) the nominal value of a Share.	
9	The remaining life of the Share Option Scheme	Nil (lapsed in September 2013)	Approximately 8 years (expiring on 14 August 2023).

SHARE OPTIONS AND OTHER INFORMATION

SHARE OPTIONS *(continued)*

Details of outstanding share options under the Old Share Option Scheme and their movements during the Period are set out below:

Name of grantee	Date of grant	Exercise period	Exercise price per share (adjusted) (HK\$)	Number of share options			Outstanding as at 30 September 2015
				Outstanding as at 1 April 2015	Exercised during the Period	Lapsed during the Period	
Director							
Mr. Wong Chi Fai	11 August 2005	11 August 2005 – 10 August 2015	1.746	10,769,475	-	(10,769,475)	-
Ms. Vanessa Fan	11 August 2005	11 August 2005 – 10 August 2015	1.746	5,769,475	(5,769,475)	-	-
				16,538,950	(5,769,475)	(10,769,475)	-

During the Period, no options were granted nor cancelled under the Old Share Option Scheme.

CORPORATE GOVERNANCE CODE

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

MODEL CODE FOR SECURITIES TRANSACTIONS

During the Period, the Company had adopted EIH Security Code on no less exacting terms than the required standards set out in 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 EIH Security 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 the Company's written guidelines in line with the Model Code. No incident of non-compliance by relevant employees was noted during the Period.

We continue to comply with our policy on inside information in compliance with our obligations under the SFO and the Listing Rules.

SHARE OPTIONS AND OTHER INFORMATION

REVIEW OF INTERIM REPORT

The condensed consolidated financial statements as set out in this interim report have not been audited nor reviewed by the Company's auditor, Deloitte Touche Tohmatsu, but this report has been reviewed by the audit committee of the Company, which comprises the three Independent Non-executive Directors of the Company.

CHANGES IN INFORMATION OF DIRECTORS

Pursuant to the requirements of Rule 13.51B(1) of the Listing Rules, the changes in Directors' information since the date of the 2014/2015 Annual Report are set out below:

Change of Directors' Fee of the Independent Non-executive Directors

With effect from 1 April 2015, directors' fee of each of the Independent Non-executive Directors was adjusted to HK\$220,000 per annum.

Change of Directors and positions held with board committees of the Company

Name/Positions	Appointment Date	Cessation Date
Mr. Liu Hing Hung ("Mr. Liu") – Independent Non-executive Director, chairman of Remuneration Committee, member of Audit Committee and Corporate Governance Committee	–	18 August 2015
Mr. Chan Hon Piu ("Mr. Chan") – Independent Non-executive Director, chairman of Remuneration Committee, member of Audit Committee and Corporate Governance Committee	18 August 2015	–

Note:

Mr. Liu retired by rotation as Director upon conclusion of the annual general meeting of the Company held on 18 August 2015 ("AGM"). Mr. Chan was elected by the shareholders of the Company at the AGM as Director to fill the casual vacancy created by Mr. Liu upon conclusion of the AGM.

Save as disclosed above, the Company is not aware of other changes in the Directors' information which is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

SHARE OPTIONS AND OTHER INFORMATION

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

During the Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

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

Hong Kong, 18 November 2015

As at the date hereof, the Board comprises:

Non-Executive Director: Ms. Luk Siu Man, Semon

Executive Directors: Mr. Wong Chi Fai
Ms. Fan Man Seung, Vanessa
Mr. Cheung Ping Keung

Independent Non-Executive Directors: Ms. Cheng Ka Yu
Mr. Wong Tak Ming, Gary
Mr. Chan Hon Piu

This Interim Report (in both English and Chinese versions) is available to any shareholder in printed form and on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.EmperorInt.com>). In order to protect the environment, the Company highly recommends the shareholders to elect to receive electronic copy of this interim report. Upon written request, a free printed version of Corporate Communication will be sent to shareholders who have elected to receive electronic copies but for any reason have difficulty in receiving or gaining access to any Corporate Communication through the Company's website. Shareholders may have the right to change their choice of receipt of our future Corporate Communications at any time by reasonable notice in writing to the Company or the Company's Hong Kong Branch Share Registrar, Tricor Secretaries Limited, by post at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong or by email at is-enquiries@hk.tricorglobal.com.