



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

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

SKETCH
THE FUTURE

INTERIM REPORT
2016/2017

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FINANCIAL SUMMARY

Six months ended 30 September			
	2016 HK\$'000	2015 HK\$'000	Changes
Total revenue	2,215,792	3,733,419	- 40.6%
– Investment Property	430,379	398,464	+ 8.0%
– Property Development	964,453	2,430,943	- 60.3%
– Hotel Operations and Related Services	820,960	904,012	- 9.2%
Gross profit	1,505,035	1,882,716	- 20.1%
Revaluation loss on properties	(777,182)	(1,206,567)	N/A
Total segment profit (excluding revaluation loss)	972,285	1,266,850	- 23.3%

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 2016 (the “Period”), the Group’s total revenue was HK\$2,215.8 million (2015: HK\$3,733.4 million). The performance of rental income from the Group’s investment properties portfolio remained resilient, with a growth of 8.0% to HK\$430.4 million (2015: HK\$398.5 million), representing 19.4% (2015: 10.7%) of the total revenue. As for property development, revenue of HK\$964.5 million (2015: HK\$2,430.9 million) was generated from the sales of remaining completed residential units, particularly the **Upton**. Due to a softening in demand for gaming and hospitality services in Macau, revenue from the hospitality segment was HK\$821.0 million (2015: HK\$904.0 million), accounting for 37.1% (2015: 24.2%) of the total revenue.

Gross profit was HK\$1,505.0 million (2015: HK\$1,882.7 million). Due to the continuous weakening consumption market sentiment and recent downtrend of market rental of investment properties in prime locations, the assessment of market property valuation was further downward adjusted, and hence, a revaluation loss on investment properties during the Period amounted to HK\$777.2 million (2015: HK\$1,206.6 million). The total segment profit excluding revaluation loss on properties was HK\$972.3 million (2015: HK\$1,266.9 million). With the presence of the revaluation loss on properties, loss for the Period attributable to owners of the Company was HK\$392.9 million (2015: HK\$591.7 million). Basic loss per share was HK\$0.11 (2015: HK\$0.16). The board of directors of the Company (the “Board” or “Directors”) declared an interim dividend of HK\$0.045 per share (2015: HK\$0.045).

Liquidity and Financial Resources

The Group owned a key property portfolio with an area of over 5 million square feet. As at 30 September 2016, the Group’s net asset value and net asset value per share amounted to HK\$21,981.5 million (31 March 2016: HK\$22,752.7 million) and HK\$5.98 (31 March 2016: HK\$6.19) per share, respectively.

MANAGEMENT DISCUSSION AND ANALYSIS

The Group has cash, bank balances and bank deposits amounted to HK\$3,922.1 million as at 30 September 2016 (31 March 2016: HK\$3,833.3 million). The total external borrowings (excluding payables) amounted to approximately HK\$18,998.0 million (31 March 2016: HK\$19,272.0 million) and the Group's debt to total asset ratio was 40.4% (31 March 2016: 40.1%) (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. During the Period, the Company issued unsecured notes of US\$200.0 million and HK\$300.0 million for the purpose of providing general working capital to the Group. Such notes become repayable by 2021 and carry fixed coupon rate of 4.0% per annum and 4.4% per annum respectively, payable semi-annually in arrears. 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"). The Group is exposed to certain foreign exchange risk caused by fluctuation in RMB exchange rate. The Group closely monitors its overall foreign exchange exposure and will adopt appropriate measures to mitigate the currency risks.

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 97.0%, 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. 474-476, 478-484, 507, 523 Lockhart Road** in Causeway Bay; **Nos. 4-8 Canton Road, Nos. 81, 83 Nathan Road, Nos. 35-37 Haiphong Road** and **Nos. 25-29 Hankow Road** in Tsim Sha Tsui; **The Pulse** in Repulse Bay; **Fitfort Shopping Arcade** in North Point; and **Level 3, New Town Mansion Shopping Arcade** in Tuen Mun.

MANAGEMENT DISCUSSION AND ANALYSIS

Hong Kong – Office, Commercial, Industrial & Residential Complexes

In addition to the above-mentioned retail spaces, the Group's rental income from complexes mainly includes **Emperor Group Centre**, **China Huarong Tower** and **Nos. 75-85 Lockhart Road** in Wan Chai; **Wincome Centre** in Central; a residential site at **Nos. 17-19 Yik Yam Street** in Happy Valley; a complex at **Nos. 45-51 Kwok Shui Road** in Kwai Chung; and **New Media Tower** in Kwun Tong. Situated at the busiest transportation hub in Central, **Wincome Centre** was planned for renovation and upgrading 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. Two adjacent commercial complexes at **Nos. 75-85 Lockhart Road** are planned to be disassembled and redeveloped into a commercial and catering composite building with a gross floor area of 96,000 square feet in Japanese-Ginza style in 2019.

Macau

In Macau, construction work at **Nos. 71-75 Avenida do Infante D. Henrique & Nos. 514-540 Avenida da Praia Grande** in Peninsula was in progress. It will be redeveloped into a multi-storey premium retail complex with a gross floor area of approximately 30,000 square feet in 2017. It is expected that this corner site will be upgraded and signified as a prime city-centre shopping spot in the town.

Mainland China

Located at Chang'an Avenue East, Beijing, the superstructure work of **Emperor Group Centre** was almost completed during the Period. It is a 30-storey (including basement) Grade-A office tower and commercial complex, with a gross floor area of approximately 1,000,000 square feet. It will include a four-storey retail podium and five-storey basement with entertainment hot spots and parking facilities. The leasing procedure has been commenced. Given that it will become another landmark building along this prominent street of China's capital city in 2017, the Group expects this project to generate significant recurring rental revenue, upon its inauguration.

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.

MANAGEMENT DISCUSSION AND ANALYSIS

London

The Group owns a seven-storey (including basement) retail and office complex at **Nos. 181-183 Oxford Street**, and an eight-storey (including basement) retail and office complex at **Nos. 25-27 Oxford Street**, in London. 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.

Property Development

The sales of the Group's residential units were in good progress. The remaining units of **Harbour One** and **18 Upper East**, together with part of the remaining units of **Upton** were sold and sales proceeds of which were recognised during the Period.

A residential site, at **Tuen Mun Town Lot No. 436, Kwun Fat Street, Siu Lam**, Tuen Mun, with a gross floor area of approximately 39,000 square feet, will be developed into 14 low-rise detached or semi-detached houses. The construction work was nearly completed during the Period. This project will be launched to the market in the near future. Another prime residential site with a sea view, at **Tuen Mun Town Lot No. 490, Tai Lam**, Tuen Mun, with a gross 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. It is expected to be completed in late-2018. These two projects 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.

A signature luxury residential project (in collaboration with two partners) at **Rural Building Lot No. 1198, Shouson Hill**, Island South, with a gross floor area of approximately 88,000 square feet, will be developed into 15 low-density luxury houses, with comprehensive auxiliary facilities. Another luxury residential complex, at **Nos. 8-10A Mosque Street, Mid-Levels**, Central, is planned to be redeveloped into a luxury residential tower with a gross floor area of approximately 32,000 square feet. Both projects are expected to be completed in 2019. In line with our strategic focus on quality residential properties in Hong Kong Island, these two projects will enable the Group to optimise the land bank portfolio with better capital appreciation in the future.

An urban redevelopment project, at **New Kowloon Lot No. 6538, Fuk Wing Street**, Sham Shui Po, with a gross floor area of approximately 54,000 square feet, is planned to be redeveloped into a 26-storey residential tower with more than 130 flats. This project is expected to be completed in 2018.

MANAGEMENT DISCUSSION AND ANALYSIS

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 Wan Chai. 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 seventh consecutive year.

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 Wan Chai and Causeway Bay, **MORI MORI Serviced Apartments** provides 18 stylish serviced apartments for expats, MICE visitors, business travellers and overseas professionals on short- and long-term leases. With state-of-the art facilities and professional customer services, **MORI MORI Serviced Apartments** redefines the contemporary way of living.

Meanwhile, superstructure work at **No. 373 Queen's Road East**, Wan Chai, was almost completed 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 commenced in 2017. 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.

MANAGEMENT DISCUSSION AND ANALYSIS

Inn Hotel Macau is a 17-storey hotel with a gross floor area of approximately 209,000 square feet, and 287 guest rooms. ***Inn Hotel Macau*** creates comfortable experience for catering the lifestyles of both leisure and business travellers. Through extending coverage from the Peninsula to Taipa, it enables the Group to fully capture the potential of Macau's hospitality market.

OUTLOOK

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. The luxury residential sites in ***Siu Lam, Tai Lam, Shouson Hill*** and ***Mid-Levels*** once again demonstrate the Group's strategic focus on premium residential projects. Looking ahead, the Group will continue to replenish its land bank for strengthening earnings and shareholders' value.

The Group is looking forward to the inauguration of ***Emperor Group Centre***, a signature commercial composite building in Beijing that accommodates a Grade-A office tower, with premier shopping mall combining retail spaces and superb cinemas. This will mark a significant milestone for the Group to upscale sizable commercial project in China. The Group expects that ***Emperor Group Centre*** in Beijing and retail complex at ***Avenida do Infante D. Henrique***, Peninsula, Macau will generate significant recurring rental revenue in the financial year of 2017/18. 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. 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.

EMPLOYEES AND REMUNERATION POLICY

The total cost incurred for staff including Directors' emoluments amounted to HK\$315.2 million during the Period (2015: HK\$309.3 million). The number of staff was 1,753 as at 30 September 2016 (2015: 1,768). Each employee's remuneration was determined in accordance with 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.

MANAGEMENT DISCUSSION AND ANALYSIS

To provide incentives or rewards to staff, the Company adopted a share option scheme on 15 August 2013 (the “Share Option Scheme”). Particulars of the Share Option Scheme are set out in the section headed “Share Options” of this interim report.

ASSETS PLEDGED

As at 30 September 2016, assets with carrying value of HK\$36,689.6 million (31 March 2016: HK\$36,388.5 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 2017 (2015/2016: HK\$0.045 per share) amounting to approximately HK\$165.5 million (2015/2016: HK\$165.5 million). The Interim Dividend will be payable on 15 December 2016 (Thursday) to shareholders whose names appear on the register of members of the Company on 9 December 2016 (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 8 December 2016 (Thursday) to 9 December 2016 (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 7 December 2016 (Wednesday).

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 September 2016

		Six months ended 30 September	
	Notes	2016 (unaudited) HK\$'000	2015 (unaudited) HK\$'000
Revenue		2,215,792	3,733,419
Cost of properties sales		(362,381)	(1,488,065)
Cost of hotel and hotel related operations		(316,928)	(327,133)
Direct operating expenses in respect of leasing of investment properties		(31,448)	(35,505)
Gross profit		1,505,035	1,882,716
Other income		44,238	71,931
Fair value changes of investment properties		(777,182)	(1,206,567)
Other losses	4	(146,448)	(135,669)
Selling and marketing expenses		(356,948)	(363,089)
Administrative expenses		(215,399)	(217,748)
Share of result of a joint venture		(35)	(45)
Profit from operations	5	53,261	31,529
Finance costs		(204,831)	(210,002)
Loss before taxation		(151,570)	(178,473)
Taxation	6	(187,741)	(327,637)
Loss for the period		(339,311)	(506,110)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 September 2016

		Six months ended 30 September	
	Notes	2016 (unaudited) HK\$'000	2015 (unaudited) HK\$'000
Other comprehensive income (expense)			
<i>Item that will not be reclassified subsequently to profit or loss:</i>			
Revaluation surplus of property transferred to investment properties		30,500	–
Deferred tax on revaluation surplus of property transferred to investment properties		(3,660)	–
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of foreign subsidiaries		(125,825)	(170,977)
Other comprehensive expense for the period		(98,985)	(170,977)
Total comprehensive expense for the period		(438,296)	(677,087)
(Loss) profit for the period attributable to:			
Owners of the Company		(392,886)	(591,701)
Non-controlling interests		53,575	85,591
		(339,311)	(506,110)
Total comprehensive (expense) income for the period attributable to:			
Owners of the Company		(508,516)	(762,595)
Non-controlling interests		70,220	85,508
		(438,296)	(677,087)
Loss per share	7		
Basic		(HK\$0.11)	(HK\$0.16)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2016

As at			
	Notes	30 September 2016 (unaudited) HK\$'000	31 March 2016 (audited) HK\$'000
Non-current assets			
Investment properties	9	35,682,913	36,502,772
Property, plant and equipment	9	3,519,913	3,358,745
Deposits paid for acquisition of investment properties/property, plant and equipment		24,037	43,802
Receivables related to a development project		172,473	178,210
Prepaid lease payments		551,117	560,178
Interest in a joint venture	10	612,514	599,347
Goodwill		56,683	56,683
Other assets		4,092	4,092
Pledged bank deposits		30,508	30,252
		40,654,250	41,334,081
Current assets			
Inventories		14,791	13,745
Properties held for sale	11	357,729	720,124
Properties under development for sale	9	1,450,870	1,309,714
Prepaid lease payments		17,252	17,266
Trade and other receivables	12	667,949	834,641
Taxation recoverable		8,278	9,663
Deposit in designated bank account for development properties		9,421	9,685
Pledged bank deposits		328	655,718
Short-term bank deposits		—	39,031
Bank balances and cash		3,891,270	3,108,291
		6,417,888	6,717,878

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2016

		As at	
	Notes	30 September 2016 (unaudited) HK\$'000	31 March 2016 (audited) HK\$'000
Current liabilities			
Trade and other payables	13	1,158,658	1,283,036
Amount due to a related company		446,169	484,530
Amounts due to non-controlling interests of subsidiaries		126,000	132,000
Unsecured notes		1,638,787	–
Derivative financial instruments		–	16,700
Taxation payable		705,056	588,605
Bank borrowings – due within one year		1,640,667	3,000,420
		5,715,337	5,505,291
Net current assets		702,551	1,212,587
Total assets less current liabilities		41,356,801	42,546,668
Non-current liabilities			
Amount due to a related company		1,643,374	3,059,865
Unsecured notes		4,782,901	4,566,553
Bank borrowings – due after one year		8,720,058	8,028,668
Deferred taxation		1,201,818	1,157,047
		16,348,151	16,812,133
		25,008,650	25,734,535
Capital and reserves			
Share capital		36,775	36,775
Reserves		21,944,684	22,715,937
Equity attributable to owners of the Company		21,981,459	22,752,712
Non-controlling interests		3,027,191	2,981,823
		25,008,650	25,734,535

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2016

Attributable to owners of the Company										
	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	Non-controlling interests HK\$'000	Total HK\$'000
As at 1st April 2016 (audited)	36,775	4,563,248	125,245	–	194,997	689,697	17,142,750	22,752,712	2,981,823	25,734,535
(Loss) profit for the period	–	–	–	–	–	–	(392,886)	(392,886)	53,575	(339,311)
Revaluation surplus of property transferred to investment properties	–	–	–	–	11,585	–	–	11,585	18,915	30,500
Deferred tax on revaluation surplus of property transferred to investment properties	–	–	–	–	(1,390)	–	–	(1,390)	(2,270)	(3,660)
Exchange difference arising on translation of foreign subsidiaries	–	–	(125,825)	–	–	–	–	(125,825)	–	(125,825)
Total comprehensive (expense) income for the period	–	–	(125,825)	–	10,195	–	(392,886)	(508,516)	70,220	(438,296)
Deemed capital contribution arising from fair value adjustment on initial recognition on amount due to a related company	–	–	–	–	–	(60,606)	–	(60,606)	–	(60,606)
Depreciation attributable to revaluation surplus	–	–	–	–	(786)	–	920	134	–	134
Dividend paid to owners of the Company	–	–	–	–	–	–	(202,265)	(202,265)	–	(202,265)
Dividend paid to non-controlling interests	–	–	–	–	–	–	–	–	(24,852)	(24,852)
As at 30 September 2016 (unaudited)	36,775	4,563,248	(580)	–	204,406	629,091	16,548,519	21,981,459	3,027,191	25,008,650
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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2016

	Six months ended 30 September	
	2016 (unaudited) HK\$'000	2015 (unaudited) HK\$'000
Net cash from operating activities	1,244,355	1,178,081
Net cash from (used in) investing activities	362,738	(713,276)
Net cash (used in) from financing activities	(818,854)	684,931
Net increase in cash and cash equivalents	788,239	1,149,736
Effect of foreign exchange rate changes	(5,260)	(20,941)
Cash and cash equivalents at the beginning of the reporting period	3,108,291	1,356,769
Cash and cash equivalents at the end of the reporting period	3,891,270	2,485,564

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2016

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 2016.

Certain comparative amounts have been reclassified to conform with the current period's presentation.

2. PRINCIPAL ACCOUNTING POLICIES

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2016

2. PRINCIPAL ACCOUNTING POLICIES (continued)

In the Period, the Group has applied, for the first time, the following amendments to Hong Kong Financial Reporting Standards (the “HKFRSs”) issued by the HKICPA that are mandatorily effective for accounting periods beginning on or after 1 April 2016. Except 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 2016.

Amendments to HKFRS 11	Accounting for acquisitions of interests in joint operations
Amendments to HKAS 1	Disclosure initiative
Amendments to HKAS 16 and HKAS 38	Clarification of acceptable methods of depreciation and amortisation
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer plants
Amendments to HKAS 27	Equity method in separate financial statements
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment entities: Applying the consolidation exception
Amendments to HKFRS	Annual improvements to HKFRSs 2012-2014 Cycle

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

The Group has not early applied any new or revised HKFRSs that have been issued but are not yet effective for the current accounting period.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2016

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	
	2016 (unaudited) HK\$'000	2015 (unaudited) HK\$'000	2016 (unaudited) HK\$'000	2015 (unaudited) HK\$'000
Business segments				
Lease of properties	430,379	398,464	(397,103)	(859,933)
Properties development	964,453	2,430,943	447,166	766,962
Hotel and hotel related operations	820,960	904,012	145,040	153,254
	2,215,792	3,733,419	195,103	60,283
Interest income			25,605	53,175
Unallocated corporate expenses, net			(159,377)	(59,561)
Net loss on fair value changes in derivative financial instruments			(8,035)	(22,323)
Finance costs			(204,831)	(210,002)
Share of result of a joint venture			(35)	(45)
Taxation			(187,741)	(327,637)
Loss for the period			(339,311)	(506,110)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2016

4. OTHER LOSSES

Six months ended 30 September		
	2016 (unaudited) HK\$'000	2015 (unaudited) HK\$'000
Net loss on fair value changes in derivative financial instruments	(8,035)	(22,323)
Net exchange loss	(125,413)	(72,147)
Loss arising from misappropriation of funds (note)	(13,000)	–
Impairment loss on prepaid lease payments	–	(41,199)
	(146,448)	(135,669)

Note:

The Group was aware that a senior casino cashier of a subsidiary of the Company in Macau had embezzled some of the chips on hand ("Misappropriation of Funds") of the Group. The matter was reported to The Inspection of Macao Judiciary Police and the senior casino cashier was arrested for criminal investigation. Up to the approval date of these condensed consolidated financial statements, the criminal investigation is still on-going and no trial has been taken place.

The Internal Audit Department of the Group had carried out a thorough physical count of the chips on hand to ascertain the amount of funds misappropriated and finally determined that the loss arising from the Misappropriation of Funds amounted to HK\$13,000,000 which was charged to the condensed consolidated statement of profit or loss during the Period. Chips on hand under note 12 "Trade and other receivables" was also adjusted downward by the same amount to reflect such loss for the Period.

5. PROFIT FROM OPERATIONS

Profit from operations for the Period has been arrived at after charging amortisation and depreciation of approximately HK\$102,674,000 (2015: HK\$111,529,000) in respect of the Group's property, plant and equipment.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2016

6. TAXATION

	Six months ended 30 September	
	2016 (unaudited) HK\$'000	2015 (unaudited) HK\$'000
Tax charge comprises:		
Current tax		
Hong Kong Profits Tax	(98,453)	(119,685)
Macau Complementary Income Tax ("CT")	(21,780)	(34,172)
	(120,233)	(153,857)
Deferred taxation	(67,508)	(173,780)
	(187,741)	(327,637)

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.

7. LOSS PER SHARE

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

	Six months ended 30 September	
	2016 (unaudited) HK\$'000	2015 (unaudited) HK\$'000
Loss		
Loss for the period attributable to owners of the Company for the purpose of basic loss per share	(392,886)	(591,701)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2016

7. LOSS PER SHARE (continued)

Six months ended 30 September		
	2016 (unaudited)	2015 (unaudited)
Number of shares		
Weighted average number of ordinary shares in issue for the purpose of basic loss per share	3,677,545,667	3,674,834,329

Diluted loss per share is not presented as the Company and its subsidiary, Emperor Entertainment Hotel Limited ("Emperor E Hotel"), do not have any dilutive potential ordinary share for both periods.

8. DIVIDEND

Six months ended 30 September		
	2016 (unaudited) HK\$'000	2015 (unaudited) HK\$'000
Final dividend of HK\$0.055 per share for the year ended 31 March 2016 paid during the period (year ended 31 March 2015: HK\$0.06)	202,265	220,653

In respect of the Period, the Board has resolved to declare an interim dividend of HK\$0.045 (2015: HK\$0.045) per share to shareholders amounting to approximately HK\$165,489,000 (2015: HK\$165,489,000).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2016

9. 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\$177,390,000 (2015: HK\$1,603,478,000).

The fair values of the Group's investment properties at 30 September 2016 and 31 March 2016 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 in fair value of investment properties of approximately HK\$777,182,000 (2015: HK\$1,206,567,000) 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 2016

9. 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\$183,902,000 and HK\$120,560,000 (2015: HK\$88,908,000 and HK\$770,652,000) respectively.

10. INTEREST IN A JOINT VENTURE

Interest in a joint venture represents interest in Superb Land Limited of which the Group holds 40% equity interest. Superb Land Limited holds 100% interest in Talent Charm Corporation Limited ("Talent Charm"), being the property development company of a development project located at Rural Building Lot No. 1198, Shouson Hill Road West, Hong Kong.

As at 30 September 2016, the Group has given corporate guarantee of HK\$941,600,000 (31 March 2016: HK\$941,600,000) to a bank in respect of banking facilities granted to Talent Charm, of which HK\$546,000,000 (31 March 2016: HK\$546,000,000) has been utilised. In the opinion of the Directors, the fair value of the guarantee is not significant.

11. PROPERTIES HELD FOR SALE

The properties held for sale comprise properties:

	As at	
	30 September 2016 (unaudited) HK\$'000	31 March 2016 (audited) HK\$'000
Situated in Hong Kong	357,268	719,650
Situated in the People's Republic of China and held under land use rights with terms expiring within 50 years	461	474
	357,729	720,124

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2016

12. 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 2016 (unaudited) HK\$'000	31 March 2016 (audited) HK\$'000
0 – 30 days	133,376	99,425
31 – 90 days	4,958	16,088
91 – 180 days	6,345	1,980
Over 180 days	17,627	12,900
	162,306	130,393
Chips on hand	121,225	148,033
Other receivables	237,797	356,185
Deposits and prepayments	146,621	200,030
	667,949	834,641

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

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2016

12. TRADE AND OTHER RECEIVABLES (continued)

Included in other receivables are amounts due from related companies of HK\$36,032,000 (as at 31 March 2016: HK\$34,585,000). 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.

13. TRADE AND OTHER PAYABLES

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

	As at	
	30 September 2016 (unaudited) HK\$'000	31 March 2016 (audited) HK\$'000
0 – 90 days	24,879	27,871
91 – 180 days	1,319	80
Over 180 days	2,694	1
	28,892	27,952
Construction payables and accruals	565,456	562,042
Other payables and accruals	265,754	249,057
Rental deposits received	274,943	314,468
Deposits received from sale of properties	23,613	129,517
	1,158,658	1,283,036

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2016

14. CAPITAL COMMITMENTS

	As at	
	30 September 2016 (unaudited) HK\$'000	31 March 2016 (audited) HK\$'000
Contracted for but not provided in the condensed consolidated financial statements, net of deposits paid, in respect of:		
– investment properties	500,517	504,754
– property, plant and equipment	250,995	403,891
– properties under development for sale	152,078	191,525
	903,590	1,100,170

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2016

15. RELATED PARTY TRANSACTIONS

- (a) Other than disclosed in notes 10 and 12, the Group also had the following significant transactions with related parties during both periods:

	Six months ended 30 September	
	2016 (unaudited) HK\$'000	2015 (unaudited) HK\$'000
Advertising and other expenses to related companies	—	58
Commission to Dr. Yeung Sau Shing, Albert ("Dr. Albert Yeung") in his capacity as a patron of the Group's VIP rooms	597	361
Hotel and restaurant income from related companies	51	134
Interest expenses to related companies	67,899	66,350
Interest income from a joint venture	6,402	6,239
Financial services expenses to related companies	590	480
Rental income from related companies	105,110	143,429
Secretarial fee expenses to a related company	470	470
Share of administrative expenses by related companies	34,454	33,361

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2016

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	
	2016 (unaudited) HK\$'000	2015 (unaudited) HK\$'000
Fees	705	706
Salaries and other short term benefit	5,814	5,511
	6,519	6,217

- (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\$5,233,000 (2015: HK\$5,014,000).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2016

15. RELATED PARTY TRANSACTIONS (continued)

(d) On 4 July 2014, the Company entered into the master purchase agreement with AY Holdings which is wholly-owned by The Albert Yeung Discretionary Trust ("AY Trust"), pursuant to which AY Holdings agrees to procure members of the AY Holdings, its subsidiaries and associates (including but not limited to the Company and their subsidiaries and associates) to provide products and services to the Group in relation to the Group's future development projects, which includes hotels, residential and commercial developments. This agreement has a term commencing from 4 July 2014 to 31 March 2017. During the Period, the Group's expense under the agreement amount to HK\$137,000 (2015: HK\$5,126,000). The product and service fee payable by the Group is determined based on an order by order basis with reference to the quantity, delivery timing and the type of products and services. Ms. Semon Luk, a director of the Company, has deemed interest in the transaction by virtue of being an associate of eligible beneficiaries of the AY Trust. Details of the transaction is set out in the announcement of the Company dated 4 July 2014.

(e) Amounts due to related parties

	As at	
	30 September 2016 (unaudited) HK\$'000	31 March 2016 (audited) HK\$'000
Amounts due to non-controlling interests of subsidiaries	126,000	132,000
Amount due to a related company	2,089,543	3,544,395

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2016

16. PLEDGE OF ASSETS

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 2016 (unaudited) HK\$'000	31 March 2016 (audited) HK\$'000
Bank deposits	30,508	685,645
Investment properties	31,763,982	31,455,360
Properties under development for sale	955,978	518,914
Buildings, including relevant leasehold land in Hong Kong	73,730	74,834
Hotel properties and hotel property under construction, including relevant leasehold land in Hong Kong	3,192,427	2,976,757
Prepaid lease payments	568,369	577,444
Others (Note)	104,645	99,570
	36,689,639	36,388,524

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\$328,000 (as at 31 March 2016: HK\$325,000) 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 2016

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 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 2016 (unaudited) HK\$'000	31 March 2016 (audited) HK\$'000	Fair value hierarchy	Valuation techniques and key inputs
Financial liabilities				
(i) Foreign currency forward contract	–	(14,777)	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	–	(1,923)	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 and year ended 31 March 2016.

The Directors 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 2016, 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 adopted by the Company ("EHL Securities Code"):

(A) LONG POSITIONS INTERESTS IN THE COMPANY

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

Name of Director	Capacity/ Nature of interests	Number of issued Shares held	Approximate % holding
Ms. Semon Luk	Interest of spouse	2,747,610,489 (Note 1)	74.71%
Ms. Fan Man Seung, Vanessa ("Ms. Vanessa Fan")	Beneficial owner	10,500,000	0.29%

(ii) Debentures

Name of Director	Capacity/ Nature of interests	Amount of debentures held
Ms. Semon Luk	Interest of spouse	HK\$558,000,000 (Note 2)

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.

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

(B) LONG POSITIONS INTERESTS IN ASSOCIATED CORPORATIONS

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	824,622,845	63.31%
	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. The above shares 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 same shares.

Save as disclosed above, as at 30 September 2016, 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 2016, so far as is known to any Directors or chief executives of the Company, the 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 by the Company under Section 336 of the SFO ("DI Register") 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 2016, no short positions were recorded in the DI Register.

Save as disclosed above, as at 30 September 2016, 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 DI Register or otherwise as notified to the Company.

SHARE OPTIONS AND OTHER INFORMATION

SHARE OPTIONS

To enable 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 which was adopted on 15 August 2013. Since then, no share options were granted thereunder.

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

The Company had adopted EHL Securities Code on no less exacting terms than the required standards set out in Model Code for Securities Transactions of Directors of Listed Issuers ("Model Code") in Appendix 10 of the Listing Rules. 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 EHL 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 during the Period.

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

The Company is not aware of any changes in the Directors' information which is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules since the date of the 2015/2016 Annual Report.

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, 16 November 2016

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. 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.