THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Emperor International Holdings Limited (the "**Company**"), you should at once hand this circular to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or transferee.

英皇集團（國際）有限公司*

Emperor International Holdings Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 163)

MAJOR TRANSACTION

ACQUISITION OF THE ENTIRE EQUITY INTEREST IN TWO COMPANIES INCORPORATED IN GRAND DUCHY OF LUXEMBOURG

28 April 2017

* *For identification purposes only*

CONTENTS

In this circular, the following expressions have the meanings set out below unless the context otherwise requires.

"Acquisition"	the acquisition of the Sale Shares by the Purchaser pursuant to the SP Agreement
"AY Trust"	The Albert Yeung Discretionary Trust
"Board"	the board of Directors
"Company"	Emperor International Holdings Limited, an exempted company incorporated in Bermuda with limited liability, the Shares of which are listed on the Stock Exchange
"Completion"	completion of the Acquisition pursuant to the SP Agreement
"Completion NAV"	the unaudited combined net asset values of the Target Group as at the date of Completion subject that the value of the non-current assets including the Property is agreed at GBP260 million
"connected persons"	has the meaning ascribed to it under the Listing Rules
"Director(s)"	director(s) of the Company
"Encumbrances"	any claim, option, charge (fixed or floating), mortgage, lien, pledge, equity, encumbrance, right to acquire, right of pre-emption, right of first refusal, title retention or any other third party right, or any other security interest of any kind or any agreement to create any of the foregoing
"Enlarged Group"	the Group following the Completion
"External Debt"	all outstanding liabilities and obligations which are owed by the Target Group to a financial institution as lender
"GBP"	British Pound Sterling, the lawful currency of the United Kingdom
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong

"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"Independent Third Party(ies)"	third parties independent of and not connected with the Company and its connected persons (as defined in the Listing Rules)
"Intra-Group Debt"	the total outstanding liabilities which are owed by the Target Group to the Seller's Guarantor
"Latest Practicable Date"	26 April 2017, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
"Listing Rules"	The Rules Governing the Listing of Securities on the Stock Exchange
"Peterson Ampersand LP"	Peterson Ampersand Limited Partnership, a limited partnership incorporated in United Kingdom, whose partners are Target Company A and Target Company B
"Peterson Ampersand Nominee"	Peterson Ampersand Nominee Limited, a private company limited by shares incorporated in United Kingdom and a direct wholly-owned subsidiary of Target Company A
"Property"	Ampersand Building, Nos. 111-125 Oxford Street, No. 178 Wardour Street and No. 15 Hollen Street, London, W1F8ZZ, United Kingdom
"Purchaser"	Big Target Holdings Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
"SFO"	Securities and Future Ordinance (Chapter 571 of the Laws of Hong Kong)
"SP Agreement"	the agreement for the sale and purchase of the Sale Shares dated 23 January 2017 entered into among the Seller, the Seller's Guarantor, the Purchaser and the Company
"Sale Shares"	the entire equity interest of the Target Companies

"Seller's Guarantor"	Peterson Holdings Company Limited, a company incorporated in Hong Kong with limited liability
"Seller"	Peterson (London) Company Limited, the seller under the SP Agreement, a company incorporated in Hong Kong with limited liability, a wholly-owned subsidiary of the Seller's Guarantor
"Share(s)"	ordinary share(s) of HK$0.01 each in the share capital of the Company
"Shareholder(s)"	holder(s) of the Shares
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Subsidiaries"	Peterson Ampersand LP and Peterson Ampersand Nominee
"Target Companies"	Target Company A and Target Company B
"Target Company A"	Peterson Ampersand General Partner S.à r.l., a private limited liability company incorporated in the Grand Duchy of Luxembourg and a wholly-owned subsidiary of the Seller
"Target Company B"	Peterson Ampersand S.à r.l., a private limited liability company incorporated in the Grand Duchy of Luxembourg and a wholly-owned subsidiary of the Seller
"Target Group"	Target Companies and the Subsidiaries
"United Kingdom"	the United Kingdom of Great Britain and Northern Ireland
"%"	per cent
"sq. ft."	square feet

The translation of GBP into HK$ is based on the approximate exchange rate of GBP1.00 = HK$9.85. Such translation should not be construed as a representation that the amount in question have been, could have been or could be converted at any particular rate or at all.

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

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

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

Registered Office:
Clarendon House
2 Church Street
Hamilton HM11
Bermuda

Principal Office:
28th Floor
Emperor Group Centre
288 Hennessy Road
Wanchai
Hong Kong

28 April 2017

To the Shareholders

Dear Sir/Madam,

**MAJOR TRANSACTION
ACQUISITION OF THE ENTIRE EQUITY INTEREST
IN TWO COMPANIES INCORPORATED IN
GRAND DUCHY OF LUXEMBOURG**

INTRODUCTION

Reference is made to the announcement of the Company dated 23 January 2017 in relation to the Acquisition.

The purpose of this circular is to provide the Shareholders, among other things, with further information in relation to the Acquisition.

* *For identification purposes only*

THE SP AGREEMENT

Pursuant to the SP Agreement, the Seller has agreed to sell and transfer to the Purchaser and the Purchaser has agreed to acquire the entire equity interest of the Target Companies upon the terms and conditions set out in the SP Agreement.

Date:	23 January 2017
Seller:	Peterson (London) Company Limited, a company incorporated in Hong Kong and is principally engaged in investment holding
Seller's Guarantor:	Peterson Holdings Company Limited, a company incorporated in Hong Kong with limited liability and the sole shareholder of the Seller To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Seller, the Seller's Guarantor and its ultimate beneficial owners are Independent Third Parties.
Purchaser:	Big Target Holdings Limited, a company incorporated in Hong Kong and an indirect wholly-owned subsidiary of the Company. As at the date of this circular, the Purchaser has not engaged in any business operation
Purchaser's guarantor:	The Company
Assets to be acquired:	The Sale Shares, being the entire equity interest of the Target Companies The principal asset of the Target Group is the Property, details of which are set out in the paragraph headed "Information of the Target Group" below.

Consideration and payment terms

The consideration for the Acquisition shall be equivalent to the aggregate of (i) the Completion NAV, (ii) the Intra-Group Debt owing to the Seller's Guarantor as at the date of the Completion; and (iii) the External Debt owing to a financial institution (the "Lender") as at the date of the Completion.

With reference to (i) the net asset value of approximately GBP155.5 million (with the carrying value of the Property being GPB260.0 million), (ii) the Intra-Group Debt of approximately GBP41.2 million, and (iii) the External Debt owing to the Lender of approximately GBP73.4 million, as stated in the audited combined statement of financial position of the Target Group as at 31 December 2016, the consideration for the Acquisition will be approximately GPB270.1 million. Based on the historical financial performance of Target Group that there was no material fluctuation on the combined net asset of the Target Group except for the fair value change of the Property, the Directors consider that the indicative figure of GPB270.1 million as the consideration for the Acquisition is fair and reasonable and it is expected to be not more than GPB285.0 million (approximately HKD2.8 billion). The Company will announce the finalized consideration of the Acquisition once it is determined.

The consideration shall be settled in cash in the following manner:-

(i) the Completion NAV shall be payable to the Seller in the following manner:

  (a) an initial deposit of GBP26 million has been paid by the Purchaser to the Seller's solicitors as stakeholder; and

  (b) the remaining balance of the Completion NAV shall be paid to the Seller upon Completion;

(ii) the Intra-Group Debt shall be payable to the Seller's Guarantor upon Completion; and

(iii) the External Debt shall be payable to the Lender upon Completion.

The consideration was determined after arm's length negotiations between the parties and based on the valuation on the Property as appraised by an independent valuer of GBP260 million as at 19 January 2017. The consideration is and shall be financed by internal resources of the Group.

Guarantee

The Seller's Guarantor unconditionally and irrevocably guarantees to the Purchaser the Seller's due and punctual performance and observance of all its obligations under or pursuant to the SP Agreement.

The Company as the Purchaser's guarantor unconditionally and irrevocably guarantees to the Seller the Purchaser's due and punctual performance and observance of all its obligations under or pursuant to the SP Agreement.

Completion

Completion will take place on 14 June 2017, or such other time or date as the Seller and the Purchaser may agree in writing. Upon Completion, both the Seller and the Purchaser have to observe and perform their respective obligations (no obligations of which can be waived by either the Seller or the Purchaser unless mutually agreed by all the parties to the SP Agreement) under the SP Agreement to effect the transfer of the interests in the Target Companies free from any encumbrances.

The Seller's obligations include, without limitation, execution and delivery of all necessary deeds and documents as specified in the SP Agreement, e.g. tax deed, letters of resignations, updated register of shareholders of the Target Companies etc. (collectively "Completion Documents"); delivery of title documents relating to the Property, the statutory records, accounting books and records, tax records and such other documents and materials of the Target Group; termination of bank accounts and the existing interest rate collar contract maintained with the bank; and providing copies of the minutes of the meeting of the board of directors of Seller and the Seller's Guarantor approving the transaction under the SP Agreement and the Completion Documents.

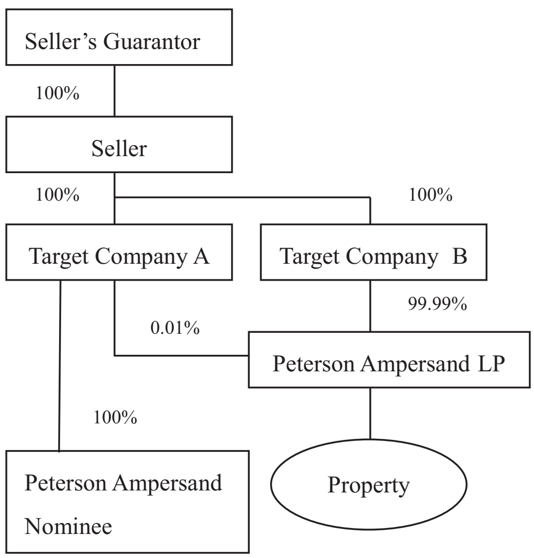
The Purchaser's obligations include payment of the balance of the consideration, execution and delivery of the Completion Documents to which it is a party, and provide certified copies of minutes of the meeting of the board of directors of the Purchaser and the Purchaser's Guarantor approving the transactions under the SP Agreement and the Completion Documents to which it is a party.

At Completion, the Seller shall transfer to the Purchaser the Sale Shares, free from Encumbrances.

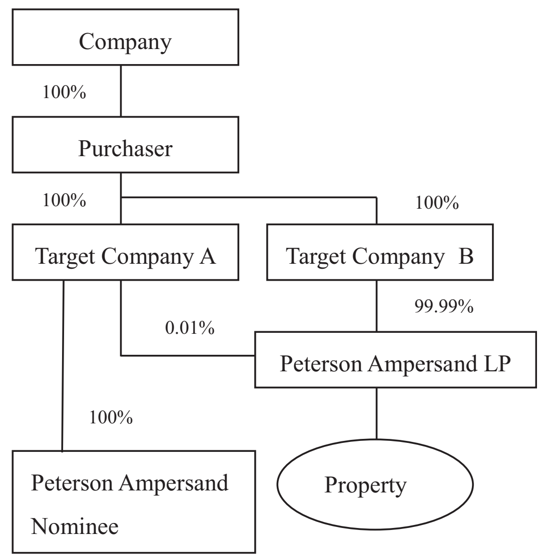
Shareholding and corporate structure of the Target Group

Set out below is the shareholding and corporate structure of the Target Group immediately before and after the Completion:

Immediately before Completion



Immediately after Completion



INFORMATION OF THE TARGET GROUP

The Target Companies are incorporated in Grand Duchy of Luxembourg and their major assets are investment in the Subsidiaries and through the Subsidiaries, the Property. As at the Latest Practicable Date, the Target Group has no other business operation other than holding the Property.

Located at Nos.111-125 Oxford Street, No. 178 Wardour Street and No. 15 Hollen Street, London, W1F8ZZ, United Kingdom, the Property is a freehold 8-storey (including basement) composite building namely Ampersand Building comprising retail spaces, office premises and leasehold apartments with a total floor area of approximately 90,999 sq. ft. The Target Company A and Peterson Ampersand Nominee jointly hold legal title to the Property on trust for the Peterson Ampersand LP. The Property is wholly owned by Peterson Ampersand LP as investment property for rental purpose. Peterson Ampersand LP is held by Target Company A as to 0.01% and by Target Company B as to 99.99%.

Below is the audited combined net profit (before and after taxation) of the Target Group for the years ended 31 December 2015 and 2016.

	For the year ended 31 December 2016	For the year ended 31 December 2015
	GBP million	*GBP million*
Profit before taxation	45.8	36.0
Profit after taxation	45.8	36.0

The audited combined net asset value of the Target Group as at 31 December 2016 was GBP155.5 million whilst the fair value of the Property as at 31 December 2016 was GBP260 million. The profit before and after taxation of the Target Group included fair value change in the Property.

The Target Group will become wholly-owned subsidiaries of the Company upon Completion and its accounts will be consolidated into the accounts of the Group.

REASONS FOR THE ACQUISITION

The Company is an investment holding company and its subsidiaries are principally engaged in property investments, property development and hospitality in the Greater China and overseas. The Purchaser is an indirect wholly-owned subsidiary of the Company.

The Group's investment properties primarily focus on quality street-level retail spaces and commercial buildings at prominent locations. Adjacent to the Tottenham Court Road Crossrail development, the Property is located at the popular commercial and shopping area with promising pedestrian traffic in London. In line with the Group's strategic focus, the Acquisition presents a rare opportunity to acquire a quality asset, on a whole block basis, in a prime location which is perpetually attractive to retail and office tenants. The Group believes that the Property will provide a solid rental income stream with potential rental increment in the long-term.

In 2015, the Group acquired two retail and office complexes on Oxford Street, London, and initiated its foothold beyond the Greater China region. The Acquisition will help the Group to solidify its presence in overseas markets, which will further geographically diversify its property portfolio.

The Board considers that the terms and conditions for the Acquisition are on normal commercial terms, which are fair and reasonable and in the interest of the Company and its Shareholders as a whole.

PROPERTY VALUATION

Cushman & Wakefield Debenham Tie Leung Limited, an independent property valuer, has valued the Property as at 31 March 2017 and is of the opinion that the market value of the Property amounted to GBP260,250,000 as at 31 March 2017. Set forth below is the reconciliation of the valuation figure of the Property with the figure included in the audited financial statements of the Target Group:

	GBP
Carrying value of the Property as at 31 December 2016 per the Target Group's accountants' report set out in Appendix IIA to this circular	260,000,000
Movement during the period (unaudited)	N/A
Appreciation in value for the period	250,000
Valuation of the Property as at 31 March 2017 per valuation report set out in Appendix IV to this circular	260,250,000

FINANCIAL EFFECTS OF THE ACQUISITION

Upon Completion, the Target Group will become indirect wholly owned subsidiaries of the Company. The results, assets and liabilities of the Target Group will then be consolidated into the accounts of the Group.

Set out in Appendix III to this circular is the unaudited pro forma financial information of the Enlarged Group which illustrates the financial effects of the Acquisition on the assets and liabilities of the Enlarged Group assuming Completion had taken place on 30 September 2016.

The total assets of the Enlarged Group would increase approximately 0.12% from approximately HK$47,072.1 million to approximately HK$47,127.3 million and its total liabilities would increase approximately 0.10% from approximately HK$22,063.5 million to approximately HK$22,085.2 million. Assuming the Acquisition had been completed on 30 September 2016, the Enlarged Group's gearing ratio or total borrowings as a percentage of total assets would be approximately 40.3%.

LISTING RULES IMPLICATION

As one of the applicable percentage ratios (as defined under Chapter 14 of the Listing Rules) in respect of the Acquisition is more than 25% but less than 100%, the Acquisition constitutes a major transaction for the Company and is subject to announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, none of the Shareholders has a material interest in the Acquisition. Accordingly, no Shareholder would be required to abstain from voting if the Company had to convene a general meeting for approving the Acquisition. Pursuant to Rule 14.44 of the Listing Rules, in lieu of holding a general meeting, the Company has obtained written approval on the Acquisition from Emperor International Group Holdings Limited, being a controlling Shareholder of the Company which, as at the Latest Practicable Date, holds 2,747,610,489 Shares, representing approximately 74.71% of the issued Shares. As such, the Company is not required to convene a special general meeting for this purpose.

RECOMMENDATION

Although no general meeting will be convened for approving the Acquisition, the Directors (including the independent non-executive Directors) consider that the Acquisition and terms and conditions of the SP Agreement are fair and reasonable and are in the best interests of the Company and the Shareholders as a whole. Accordingly, if the general meeting was being convened for approving the Acquisition, the Directors would have recommended the Shareholders to vote in favour of the Acquisition.

GENERAL INFORMATION

Your attention is drawn to the information set out in the appendices to this circular.

Yours faithfully,
For and on behalf of the Board
Emperor International Holdings Limited
Luk Siu Man, Semon
Chairperson

1. SUMMARY OF THE FINANCIAL INFORMATION OF THE GROUP

Financial information of the Group for the three years ended 31 March 2014, 2015 and 2016 are disclosed on pages 41 to 121 of the annual report of the Company for the year ended 31 March 2014, pages 51 to 129 of the annual report of the Company for the year ended 31 March 2015 and pages 76 to 190 of the annual report of the Company for the year ended 31 March 2016 and pages 10 to 31 of the interim report of the Company for the period ended 30 September 2016, all of which are published on the website of the Stock Exchange at http://www.hkexnews.hk, and the website of the Company at http://www.emperorint.com. Quick links to the annual reports and interim report of the Company are set out below:

Annual report of the Company for the year ended 31 March 2014:

http://www.hkexnews.hk/listedco/listconews/SEHK/2014/0702/LTN201407021479.pdf

Annual report of the Company for the year ended 31 March 2015:

http://www.hkexnews.hk/listedco/listconews/SEHK/2015/0710/LTN20150710411.pdf

Annual report of the Company for the year ended 31 March 2016:

http://www.hkexnews.hk/listedco/listconews/SEHK/2016/0711/LTN20160711329.pdf

Interim Report of the Company for the period ended 30 September 2016:

http://www.hkexnews.hk/listedco/listconews/SEHK/2016/1129/LTN20161129263.pdf

2. INDEBTEDNESS STATEMENT

At the close of business on 28 February 2017 (being the latest practicable date for ascertaining information regarding this indebtedness statement), the Group had an aggregate outstanding indebtedness amounting to approximately HK$20,832.9 million, which consist of:

(i) Bank borrowings of approximately HK$12,101.9 million, which are secured by properties and bank deposits of the Group.

(ii) Unsecured borrowing from a related company, being a wholly-owned subsidiary of the AY Trust, of approximately HK$2,157.4 million.

(iii) Unsecured borrowing from non-controlling interests of subsidiaries of approximately HK$120.8 million.

(iv) The principal amount of unsecured notes totalling HK$6,452.8 million.

At the close of business on 28 February 2017, the Group had given corporate guarantee of HK$941.6 million to a bank in respect of bank facilities granted to a joint venture, of which HK$546.0 million had been utilised.

Save for the aforesaid and apart from intra-group liabilities, at the close of business on 28 February 2017, the Group did not have any debt securities issued and outstanding, or any other borrowings or indebtedness including bank overdrafts and liabilities under acceptances (other than normal trade payables) or acceptance credits or hire purchases commitments, or any other borrowings subject to mortgages or charges, or any other material contingent liabilities or guarantees.

3. WORKING CAPITAL

After taking into account the expected completion of the Acquisition in June 2017 and present internal financial resources available to the Enlarged Group, including cash and bank balance as well as the available banking facilities, the Directors are of the opinion that the working capital available to the Enlarged Group is sufficient for the Enlarged Group's requirement for at least 12 months from the date of this circular.

4. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 March 2016, being the date to which the latest published audited consolidated financial statements of the Group were made up.

5. FINANCIAL AND TRADING PROSPECTS

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. Leveraging on its sustained high occupancies and contributions from new investment properties, the Group's rental income is expected to stay steady.

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 2017/2018 financial year. Looking ahead, the Group will continue to replenish its land bank for strengthening earnings and shareholders' value.

Supported by "One Belt, One Road" economic development strategy initiated by Chinese Government, Hong Kong should benefit from its geographical proximity, bringing ample opportunities and building a solid foundation for long-term economic development. Despite the global uncertainties, the Group will continue to manage its core businesses with prudence to achieve stable growth and sustain profitability. 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.

ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF EMPEROR INTERNATIONAL HOLDINGS LIMITED

Deloitte. 德勤

Introduction

We report on the combined historical financial information for Peterson Ampersand S.à r.l., Peterson Ampersand General Partner S.à r.l., Peterson Ampersand Limited Partnership and Peterson Ampersand Nominee Limited (hereinafter collectively referred to as the "Peterson Ampersand Group") set out on pages IIA-3 to IIA-42, which comprises the combined statements of financial position of the Peterson Ampersand Group as at 31 December 2014, 2015 and 2016 and the combined statements of profit or loss and other comprehensive income, the combined statements of changes in equity and the combined statements of cash flows for each of the period then ended (the "Relevant Periods") and a summary of significant accounting policies and other explanatory information (together, the "Historical Financial Information"). The Historical Financial Information set out on pages IIA-3 to IIA-42 forms an integral part of this report, which has been prepared for inclusion in the circular of Emperor International Holdings Limited dated 28 April 2017 (the "Circular") in connection with the proposed acquisition of the entire equity interest in Peterson Ampersand S.à r.l. and Peterson Ampersand General Partner S.à r.l..

Managers' responsibility for the Historical Financial Information

The managers of Peterson Ampersand S.à r.l. and Peterson Ampersand General Partner S.à r.l. are responsible for the preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of preparation and presentation set out in note 2 to the Historical Financial Information, and for such internal control as the managers of Peterson Ampersand S.à r.l. and Peterson Ampersand General Partner S.à r.l. determine is necessary to enable the preparation of Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountants' responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 "Accountants' Reports on Historical Financial Information in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants' judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity's preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of preparation and presentation set out in note 2 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the managers of Peterson Ampersand S.à r.l. and Peterson Ampersand General Partner S.à r.l., as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion the Historical Financial Information gives, for the purposes of the accountants' report, a true and fair view of the Peterson Ampersand Group's financial position as at 31 December 2014, 2015 and 2016 and of the Peterson Ampersand Group's financial performance and cash flows for the Relevant Periods in accordance with the basis of preparation and presentation set out in note 2 to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on the Stock Exchange and the Companies (Winding Up and Miscellaneous Provisions) Ordinance

Adjustments

The Historical Financial Information is stated after making such adjustments to the Underlying Financial Statements as defined on page IIA-3 as were considered necessary.

Dividends

We refer to note 13 to the Historical Financial Information which states that no dividends have been paid in respect of the Relevant Periods.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong

28 April 2017

HISTORICAL FINANCIAL INFORMATION OF THE PETERSON AMPERSAND GROUP

Preparation of Historical Financial Information

Set out below is the Historical Financial Information which forms an integral part of this accountant's report.

The Historical Financial Information in this report was prepared based on the financial statements of Peterson Ampersand Limited Partnership, financial statements of Peterson Ampersand S.à r.l. and consolidated financial statements of Peterson Amperand General Partner S.à r.l. for the Relevant Periods. These financial statements have been prepared in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board and were audited by Carter Backer Winter LLP, in accordance with International Standards on Auditing (UK and Ireland) issued by Financial Reporting Council of the United Kingdom ("Underlying Financial Statements").

The Historical Financial Information is presented in Great British Pound ("GBP").

COMBINED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Year ended 31 December		
		2014	2015	2016
	NOTES	*GBP*	*GBP*	*GBP*
Revenue	*7*	2,238,715	4,184,103	7,263,884
Direct operating expenses in respect of leasing of investment property		(106,916)	(1,172,340)	(17,725)
Gross profit		2,131,799	3,011,763	7,246,159
Other gains or losses	*8*	451,818	163,670	3,487,456
Fair value changes of investment property	*15*	87,434,500	38,400,000	39,356,744
Administrative expenses		(99,809)	(254,461)	(214,584)
Finance costs	*9*	(6,517,254)	(5,335,584)	(4,117,154)
Profit before taxation	*10*	83,401,054	35,985,388	45,758,621
Taxation	*11*	–	–	–
Profit and total comprehensive income for the year		83,401,054	35,985,388	45,758,621

COMBINED STATEMENTS OF FINANCIAL POSITION

		At 31 December		
		2014	**2015**	**2016**
	NOTES	*GBP*	*GBP*	*GBP*
NON-CURRENT ASSETS				
Investment property	*15*	181,000,000	220,000,000	260,000,000
Other receivable	*16*	–	1,740,558	4,007,075
		181,000,000	221,740,558	264,007,075
CURRENT ASSETS				
Rental and other receivables	*16*	5,337,254	94,753	528,749
Bank balances and cash	*17*	545,584	2,388,502	7,865,818
		5,882,838	2,483,255	8,394,567
CURRENT LIABILITIES				
Trade and other payables	*18*	491,721	762,759	2,268,008
Amount due to immediate holding company	*19*	12,000	–	–
Amount due to an intermediate holding company	*20*	62,554	87,052	461,368
Secured bank borrowing – due within one year	*21*	–	2,310,000	2,310,000
		566,275	3,159,811	5,039,376
NET CURRENT ASSETS (LIABILITIES)		5,316,563	(676,556)	3,355,191
TOTAL ASSETS LESS CURRENT LIABILITIES		186,316,563	221,064,002	267,362,266

		At 31 December		
		2014	2015	2016
	NOTES	*GBP*	*GBP*	*GBP*
NON-CURRENT LIABILITIES				
Amount due to an intermediate holding company	*20*	112,524,768	38,196,910	40,705,126
Secured bank borrowing – due after one year	*21*	–	73,089,909	71,078,944
Derivative financial instrument	*22*	–	–	42,392
		112,524,768	111,286,819	111,826,462
		73,791,795	109,777,183	155,535,804
CAPITAL AND RESERVES				
Share capital	*24*	20,276	20,276	20,276
Reserves		73,771,519	109,756,907	155,515,528
		73,791,795	109,777,183	155,535,804

COMBINED STATEMENTS OF CHANGES IN EQUITY

	Share capital	Other reserve	Accumulated (losses) profits	Total
	GBP	*GBP*	*GBP*	*GBP*
At 1 January 2014	20,276	(973)	(9,628,562)	(9,609,259)
Profit and total comprehensive income for the year	–	–	83,401,054	83,401,054
At 31 December 2014	20,276	(973)	73,772,492	73,791,795
Profit and total comprehensive income for the year	–	–	35,985,388	35,985,388
At 31 December 2015	20,276	(973)	109,757,880	109,777,183
Profit and total comprehensive income for the year	–	–	45,758,621	45,758,621
At 31 December 2016	20,276	(973)	155,516,501	155,535,804

COMBINED STATEMENTS OF CASH FLOWS

	Year ended 31 December		
	2014	2015	2016
	GBP	*GBP*	*GBP*
Operating activities			
Profit before taxation	83,401,054	35,985,388	45,758,621
Adjustments for:			
Interest income	(663)	(19,941)	(423)
Interest expenses	6,517,254	5,335,584	4,117,154
Increase in the fair value of investment property	(87,434,500)	(38,400,000)	(39,356,744)
Unrealised fair value changes of derivative financial instrument	–	–	42,392
Operating cash flows before movements in working capital	2,483,145	2,901,031	10,561,000
(Increase) decrease in rental and other receivables	(37,801)	3,501,943	(2,700,513)
Increase in trade and other payables	249,194	170,380	1,503,151
Net cash from operating activities	2,694,538	6,573,354	9,363,638
Investing activities			
Additions to investment property	(13,365,500)	(600,000)	(643,256)
Interest received	663	19,941	423
Net cash used in investing activities	(13,364,837)	(580,059)	(642,833)
Financing activities			
Advance from an intermediate holding company	10,746,335	984,498	377,309
Secured bank borrowing raised	–	75,980,000	–
Repayments to an intermediate holding company	–	(79,943,360)	–
Interest paid	–	(582,015)	(1,310,798)
Repayments of secured bank borrowing	–	(577,500)	(2,310,000)
Repayments to immediate holding company	–	(12,000)	–
Net cash from (used in) financing activities	10,746,335	(4,150,377)	(3,234,489)
Net increase in cash and cash equivalents	76,036	1,842,918	5,477,316
Cash and cash equivalents at beginning of the year	469,548	545,584	2,388,502
Cash and cash equivalents at end of the year, representing bank balances and cash	545,584	2,388,502	7,865,818

NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. General

Peterson Ampersand S.à r.l. and Peterson Ampersand General Partner S.à r.l., both are limited liability companies incorporated in the Grand Duchy of Luxembourg, are directly owned by Peterson (London) Company Limited, a limited liability company incorporated in Hong Kong. The intermediate holding company is Peterson Holdings Company Limited, a limited liability company incorporated in Hong Kong. The ultimate holding company is Peterson Alpha (PTC) Limited, a limited liability company incorporated in British Virgin Islands. In January 2017, Big Target Holdings Limited, an indirectly wholly owned subsidiary of Emperor International Holdings Limited, entered into a sale and purchase agreement with Peterson (London) Company Limited to acquire the entire equity interest in Peterson Ampersand S.à r.l. and Peterson Ampersand General Partner S.à r.l. (the "Acquisition"). Upon completion of the Acquisition, Peterson Ampersand S.à r.l. and Peterson Ampersand General Partner S.à r.l. will be directly owned by Big Target Holdings Limited.

The Historical Financial Information is presented in GBP, which is also the functional currency of the Peterson Ampersand Group.

2. Basis of preparation and presentation of historical financial information

The Historical Financial Information has been prepared based on the accounting policies set out in note 4 which conforms with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the HKICPA. In addition, the Historical Financial Information includes applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance.

Peterson Ampersand Nominee Limited, a limited company incorporated in United Kingdom ("UK"), is a wholly owned subsidiary of Peterson Ampersand General Partner S.à r.l.. Peterson Ampersand General Partner S.à r.l. and Peterson Ampersand S.à r.l. are 0.01% and 99.99% members of Peterson Ampersand Limited Partnership, which is a limited partnership incorporated in UK and hold an investment property in UK. Peterson Ampersand S.à r.l. and Peterson Ampersand General Partner S.à r.l. are both controlled by Peterson (London) Company Limited prior to the Acquisition. The Acquisition represents the acquisition of the investment property held by Peterson (London) Company Limited through acquisition of Peterson Ampersand S.à r.l. and Peterson Ampersand General Partner S.à r.l..

The combined statements of profit or loss and other comprehensive income, combined statements of changes in equity and combined statements of cash flows for the Relevant Periods include the results, changes in equity and cash flows of the companies comprising the Peterson Ampersand Group as if they had always been formed as a single reporting entity throughout the Relevant Periods.

The combined statements of financial position of the Peterson Ampersand Group as at 31 December 2014, 31 December 2015 and 31 December 2016 have been prepared to present the combined assets and liabilities of the Peterson Ampersand Group as if they had always been formed as a single reporting entity as at those dates.

All significant intra-group transactions and balances have been eliminated in combination.

3. Application of new and amendments to HKFRSs

For the purpose of preparing and presenting the Historical Financial Information for the Relevant Periods, the Peterson Ampersand Group has consistently applied all HKFRSs which are effective for the financial year ended 1 January 2016 throughout the Relevant Periods.

New and amendment to HKFRSs in issue but not yet effective

The Peterson Ampersand Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective during the Relevant Periods.

HKFRS 9	Financial instruments[2]
HKFRS 15	Revenue from contracts with customers and the related amendments[2]
HKFRS 16	Leases[3]
Amendments to HKFRS 2	Classification and measurement of share-based payment transactions[2]
Amendments to HKFRS 4	Applying HKFRS 9 "Financial instruments" with HKFRS 4 "Insurance contracts"[2]
Amendments to HKFRS 10 and HKAS 28	Sale or contribution of assets between an investor and its associate or joint venture[4]
Amendments to HKAS 7	Disclosure initiative[1]
Amendments to HKAS 12	Recognition of deferred tax assets for unrealised losses[1]
Amendments to HKFRSs	Annual improvements to HKFRSs 2014 – 2016 cycle[5]

1 Effective for annual periods beginning on or after 1 January 2017.

2 Effective for annual periods beginning on or after 1 January 2018

3 Effective for annual periods beginning on or after 1 January 2019.

4 Effective for annual periods beginning on or after a date to be determined.

5 Effective for annual periods beginning on or after 1 January 2017 or 1 January 2018, as appropriate.

HKFRS 9 "Financial instruments"

HKFRS 9 introduces new requirements for the classification and measurement of financial assets, financial liabilities, general hedge accounting and impairments for financial assets.

Key requirements of HKFRS 9 which are relevant to the Peterson Ampersand Group are described as follows:

- with regard to the measurement of financial liabilities designated as at fair value through profit or loss, HKFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss is presented in profit or loss.

- In relation to the impairment of financial assets, HKFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under HKAS 39 "Financial instruments: Recognition and measurement". The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

In general, the management of the Peterson Ampersand Group anticipates that the application of the expected credit loss model HKFRS 9 will result in earlier recognition of credit losses for the respective items and are currently assessing the potential impact.

The above assessments were made based on analysis of the Peterson Ampersand Group's financial assets and financial liabilities as at 31 December 2016 on the basis of the facts and circumstances that existed at that date. As facts and circumstances may change during the period leading up to the initial date of application of HKFRS 9, which is expected to be 1 January 2018 as the Peterson Ampersand Group does not intend to early apply the standard, the assessment of the potential impact is subject to change.

HKFRS 16 "Leases"

HKFRS 16 introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees. HKFRS 16 will supersede HKAS 17 Leases and the related interpretations when it becomes effective.

HKFRS 16 distinguishes lease and service contracts on the basis of whether an identified asset is controlled by a customer. Distinctions of operating leases and finance leases are removed for lessee accounting, and is replaced by a model where a right-of-use asset and a corresponding liability have to be recognised for all leases by lessees, except for short-term leases and leases of low value assets.

The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, amongst others. Under the HKFRS 16, lease payments in relation to lease liability will be allocated into a principal and an interest portion which will be presented as financing cash flows respectively.

In contrast to lessee accounting, HKFRS 16 substantially carries forward the lessor accounting requirements in HKAS 17, and continues to require a lessor to classify a lease either as an operating lease or a finance lease.

Furthermore, extensive disclosures are required by HKFRS 16.

The application of new requirements may result in more disclosure as indicated above. However, it is not practicable to provide a reasonable estimate of the financial effect until the management completes a detail review.

The management of the Peterson Ampersand Group anticipates that the application of the other new and amendments to HKFRSs will have no material impact on the financial performance and position and/or the disclosures when they become effective.

4. Significant accounting policies

The Historical Financial Information has been prepared on the historical cost except for investment property and certain financial instruments that are measured at fair values, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Peterson Ampersand Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in the Historical Financial Information is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2 "Share-based payments", leasing transactions that are within the scope of HKAS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 "Inventories" or value in use in HKAS 36 "Impairment of assets".

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- 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.

The principal accounting policies are set out below.

Basis of combination

The combined financial statements incorporate the financial information of the entities comprising the Peterson Ampersand Group. Control is achieved when an entity:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Peterson Ampersand Group reassesses whether or not it controls an entity if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Combination of an entity begins when the Peterson Ampersand Group obtains control over the entity and ceases when the Peterson Ampersand Group loses control of the entity. Specifically, income and expenses of an entity acquired or disposed of during the years are included in the combined statements of profit or loss and other comprehensive income from the date the Peterson Ampersand Group gains control until the date when the Peterson Ampersand Group ceases to control the entity.

Where necessary, adjustments are made to the financial statements of the entity to bring its accounting policies into line with the Peterson Ampersand Group's accounting policies.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Peterson Ampersand Group are eliminated in full on combination.

Investment property

Investment property is property held to earn rentals and/or for capital appreciation.

Investment property is initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment property is measured at fair value. All of the Peterson Ampersand Group's property interests held under operating leases to earn rentals or for capital appreciation purposes are classified and accounted for as investment property and are measured using fair value model. Gains or losses arising from changes in the fair value of investment property are included in profit or loss for the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposals. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss in the period in which the property is derecognised.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

As lessor

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease.

Financial instruments

Financial assets and financial liabilities are recognised when the Peterson Ampersand Group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss ("FVTPL"), are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

Financial assets are classified into loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Interest income is recognised on an effective interest basis for debt instruments.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition loans and receivables (including rental and other receivables and bank balances and cash) are measured at amortised cost using the effective interest method, less any impairment.

Interest income is recognised by applying the effective interest rate, except for short-term receivables where the recognition of interest would be immaterial.

Impairment of loans and receivables

Loans and receivables are assessed for indicators of impairment at the end of each reporting period. Loans and receivables are considered to be impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the loans and receivables, the estimated future cash flows of the loans and receivables have been affected.

Objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as default or delinquency in interest and principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For certain categories of financial asset, such as rental receivables, that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Peterson Ampersand Group's past experience of collecting payments and observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate.

The carrying amount of the financial assets is reduced by the impairment loss directly for all financial assets with the exception of rental receivables, where the carrying amount is reduced through the use of an allowance account. When rental receivables are considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Financial liabilities and equity instruments

Debt and equity instruments issued by the Peterson Ampersand Group's entities are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Peterson Ampersand Group after deducting all of its liabilities. Equity instruments issued by the Peterson Ampersand Group entities are recorded at the proceeds received, net of direct issue costs.

Financial liabilities at amortised cost

Financial liabilities at amortised cost (including trade and other payables, amount due to immediate holding company, amount due to ultimate holding company and secured bank borrowing) are subsequently measured at amortised cost, using the effective interest method.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest expense is recognised on an effective interest basis.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is held for trading.

A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Peterson Ampersand Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

Financial liabilities at FVTPL are measured at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss excludes any interest paid on the financial liabilities and is included in the 'other gains or losses'. Fair value is determined in the manner described in note 30.

Derivative financial instrument

Derivatives are initially recognised at fair value at the date when derivative contracts are entered into and are subsequently remeasured to their fair value at the end of the reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

Derecognition

The Peterson Ampersand Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire.

On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

The Peterson Ampersand Group derecognises a financial liability when, and only when, the Peterson Ampersand Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable.

Rental income from operating leases is recognised in profit or loss on a straight line basis over the term of the relevant lease.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Peterson Ampersand Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from "profit before taxation" as reported in the combined statements of profit or loss and other comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Peterson Ampersand Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the combined financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investment in subsidiary, except where the Peterson Ampersand Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Peterson Ampersand Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax for investment property that is measured using the fair value model, the carrying amount of such property is presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.

Current and deferred tax is recognised in profit or loss.

Foreign currencies

In preparing the financial statements of each of the individual Peterson Ampersand Group's entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

5. Critical accounting judgment and key sources of estimation uncertainty

In the application of the Peterson Ampersand Group's accounting policies, which are described in note 4, the management of the Peterson Ampersand Group is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

Critical judgment applying accounting policies

The following is the critical judgment, apart from those involving estimations (see below), that the management of the Peterson Ampersand Group has made in the process of applying the Peterson Ampersand Group's accounting policies and that has the most significant effect on the amounts recognised in the combined financial statements.

Deferred taxation on investment property

For the purposes of measuring deferred taxation arising from investment property that are measured using the fair value model, the management of the Peterson Ampersand Group has reviewed the investment property portfolio and concluded that the investment property are not held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. Therefore, in measuring the deferred taxation on investment property, the management of the Peterson Ampersand Group has determined that the presumption that the carrying amounts of investment property measured using the fair value model are recovered entirely through sale is not rebutted.

As a result, the Peterson Ampersand Group has not recognised any deferred tax on changes in fair value of investment property located in UK as the Peterson Ampersand Group is not subject to any capital gain nor other material income taxes on disposal of its investment property.

Key sources of estimation uncertainty

The followings are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Fair value of investment property

The investment property at 31 December 2014, 2015 and 2016 is measured at fair value. The amount at 31 December 2014 and 2015 was based on the valuation performed by independent qualified professional valuers. In determining the fair value, the valuers have applied investment method which involves, inter-alia, certain estimates, including appropriate monthly market rent per square foot and discount rate. In relying on the valuation report, the management of the Peterson Ampersand Group has exercised its judgment and is satisfied that the assumptions used in the valuation is reflective of the current market conditions and the current condition of the property. Changes to these assumptions would result in changes in the fair value of the Peterson Ampersand Group's investment property and the corresponding adjustments to the amount of fair value gain or loss of the Peterson Ampersand Group's investment property reported in the statements of profit or loss and other comprehensive income.

On 23 January 2017, Peterson (London) Company Limited entered into a sale and purchase agreement with Big Target Holdings Limited, an indirectly wholly owned subsidiary of Emperor International Holdings Limited to dispose of the investment property at a value of GBP260,000,000 through disposal of the entire equity interest in Peterson Ampersand S.à r.l. and Peterson Ampersand General Partner S.à r.l., which is considered as the fair value of the investment properties at 31 December 2016.

Fair value measurements and valuation processes

Some of the Peterson Ampersand Group's assets and liabilities are measured at fair value for financial reporting purposes. The management of the Peterson Ampersand Group will determine the appropriate valuation techniques and inputs for fair value measurements.

In estimating the fair value of the investment property, the Peterson Ampersand Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Peterson Ampersand Group engages third party qualified valuers to perform the valuation of the Peterson Ampersand Group's investment property. At the end of each reporting period, the management of the Group works closely with the qualified external valuers to establish and determine the appropriate valuation techniques and inputs for Level 2 and Level 3 fair value measurements. The Peterson Ampersand Group will first consider and adopt Level 2 inputs where inputs can be derived observable quoted prices in the active market. When Level 2 inputs are not available, the Peterson Ampersand Group will adopt valuation techniques that include Level 3 inputs. Where there is a material change in the fair value of the assets, the causes of the fluctuations will be reported to the management of the Peterson Ampersand Group. Information about the valuation techniques and inputs used in determining the fair value of the Peterson Ampersand Group's investment property are disclosed in note 15.

In estimating the fair value of the Peterson Ampersand Group's financial assets and financial liabilities at FVTPL (representing the Peterson Ampersand Group's derivative financial instrument as disclosed in note 22), the Peterson Ampersand Group uses market-observable data to the extent it is available. The management of the Peterson Ampersand Group will assess the valuation of the derivative financial instrument based on Black-Scholes model and discounted cash flows method at the end of the reporting period. The management of the Peterson Ampersand Group will exercise their judgments based on their experience to establish and determine the appropriate valuation techniques and inputs to the valuation model. Where there is a material change in the fair value of the assets/liabilities, the causes of the fluctuations will be reported to the management of the Peterson Ampersand Group. Note 30 provides detailed information about the valuation techniques, inputs and key assumptions used in the determination of the fair value of the Peterson Ampersand Group's financial liabilities at FVTPL.

6. Segment information

The Peterson Ampersand Group's operating activities are attributable to a single operating segment focusing on provision of leasing of property during the Relevant Periods. For the purpose of resources allocation and performance assessment, the chief operating decision maker (i.e. the management of the Peterson Ampersand Group) reviews the overall results and financial position of Peterson Ampersand Group as a whole, which are prepared based on same accounting policies set out in note 4. Accordingly, the Peterson Ampersand Group has only one single operating segment and no further analysis of this single segment is presented.

Geographical information

The Peterson Ampersand Group's operation is located in UK. The non-current asset of the Peterson Ampersand Group is all located in UK.

Information about major customers

Revenue from customers during the Relevant Periods individually contributed over 10% of total revenue of the Peterson Ampersand Group in 2014, 2015 and 2016 are as follows:

	Year ended 31 December		
	2014	**2015**	**2016**
	GBP	*GBP*	*GBP*
Customer A	–	1,740,558	4,795,622
Customer B	816,160	894,809	895,191
Customer C	550,000	550,000	N/A*
Customer D	448,500	448,404	N/A*
	1,814,660	3,633,771	5,690,813

* *Revenue below 10% of total sales for the respective period is not disclosed.*

7. Revenue

Revenue represents the gross rental income from an investment property for the Relevant Periods.

8. Other gains or losses

	Year ended 31 December		
	2014	**2015**	**2016**
	GBP	*GBP*	*GBP*
Net loss on fair value changes in derivative financial instrument	–	–	(42,392)
Net exchange gain (loss)	3,654	3,063	(13,906)
Rental guarantee income *(Note)*	447,501	140,666	3,570,510
Others	663	19,941	(26,756)
	451,818	163,670	3,487,456

Note: The amount being the rental guarantee income paid by ex-vendor of investment property, an independent third party, to the Peterson Ampersand Group for the shortfall of guaranteed yearly rental income according to a rental guarantee agreement which will be terminated upon the completion of the Acquisition.

9. Finance costs

	Year ended 31 December		
	2014	2015	2016
	GBP	*GBP*	*GBP*
Interest expenses on:			
Amount due to an intermediate holding company	6,517,254	4,655,502	2,505,223
Secured bank borrowing	–	680,082	1,611,931
	6,517,254	5,335,584	4,117,154

10. Profit before taxation

	Year ended 31 December		
	2014	2015	2016
	GBP	*GBP*	*GBP*
Profit before taxation has been arrived at after charging:			
Auditor's remuneration	7,750	7,725	7,975
Managers' remuneration	–	–	–
Staff costs and after crediting:	–	–	–
Bank interest income	663	19,941	423

11. Taxation

	Year ended 31 December		
	2014	2015	2016
	GBP	*GBP*	*GBP*
Deferred taxation			
Current year *(note 23)*	–	–	–

Luxembourg Profits Tax is calculated at 20% of the estimated assessable profit. No provisions for Luxembourg Profits Tax is made as the Peterson Ampersand Group has no assessable profit in Luxembourg for the Relevant Periods.

UK Income Tax is calculated at the applicable rate of 20% of the estimated assessable profits. No provision for UK Income Tax is made for the Relevant Periods as Peterson Ampersand Group has no assessable profit in 2014 and 2015 and the assessable profit in 2016 is wholly absorbed by tax losses brought forward from prior years.

The income tax income for the period can be reconciled to the profit before taxation per the statements of profit or loss and other comprehensive income as follows:

	Year ended 31 December		
	2014	**2015**	**2016**
	GBP	*GBP*	*GBP*
Profit before taxation	83,401,054	35,985,388	45,758,621
Profits tax charge at the tax rate of 20%	16,680,211	7,197,078	9,151,724
Tax effect of income not taxable	(17,486,900)	(7,685,351)	(8,324,470)
Tax effect of expenses not deductible	247,718	116,982	30,409
Utilisation of tax losses previously not recognised	–	–	(857,663)
Tax effect of tax losses not recognised	558,971	371,291	–
	–	–	–

12. Managers', chief executives' emoluments and employees' remuneration

No emolument is paid or payable to the managers and chief executives, and employees of the entities comprising the Peterson Ampersand Group during the Relevant Periods. No remuneration was paid by the entities comprising the Peterson Ampersand Group to the managers, chief executive and employees of the Peterson Ampersand Group as an inducement to join or upon joining the entities comprising the Peterson Ampersand Group or as compensation for loss of office. In addition, the managers of the entities comprising the Peterson Ampersand Group did not waive any emoluments during the Relevant Periods.

13. Dividends

No dividend was paid or proposed during the Relevant Periods, nor has any dividend been proposed since the end of each reporting period.

14. Earnings per share

No earnings per share information is presented as its inclusion, for the purpose of this report, is considered not meaningful.

15. Investment property

	GBP
At fair value	
At 1 January 2014	80,200,000
Additions	13,365,500
Increase in fair value recognised in profit or loss	87,434,500
At 31 December 2014	181,000,000
Additions	600,000
Increase in fair value recognised in profit or loss	38,400,000
At 31 December 2015	220,000,000
Additions	643,256
Increase in fair value recognised in profit or loss	39,356,744
At 31 December 2016	260,000,000

The investment property is situated in the UK on freehold land. As at 31 December 2015 and 2016, the property has been pledged to bank to secure bank borrowing granted to the Peterson Ampersand Group *(note 21).*

The investment property interests held under operating leases to earn rentals or for capital appreciation purposes are measured using the fair value model and is classified and accounted for as an investment property.

The fair value of the investment property as at 31 December 2014 and 2015 has been arrived at on the basis of a valuation carried out on those dates by Jones Lang LaSalle Limited, an independent firm of qualified professional property valuers not connected with the Peterson Ampersand Group, in accordance with the RICS Valuation – Professional Standards (January 2014) published by the Royal Institution of Chartered Surveyors.

In estimating the fair value of the property, the highest and best use of the property is its current use.

There has been no change to the valuation technique for 31 December 2014 and 2015. The following table gives information about how the fair values of the investment property are determined (in particular, the valuation techniques and key inputs used), as well as the fair value hierarchy into which the fair value measurements are categorised (Level 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

Investment property held by the Peterson Ampersand Group in the combined statements of financial position	Fair value			Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable inputs	Sensitivity/relationship of unobservable inputs to fair value
	2014	2015	2016				
	GBP	*GBP*	*GBP*				
UK							
Retail shops/ offices	181,000,000	220,000,000	–	Level 3	Direct capitalisation method with market unit rent and capitalisation rate as the key input	Monthly rent, based on floor area using direct market comparables and taking into account of time, location, frontage and size of property, which ranged from GBP78 to GBP525 (2014: GBP75 to GBP450) per square foot	A significant increase in the market unit rate used would result in a significant increase in the fair value of the investment property, and vice versa
						Capitalisation rate, taking into account the capitalisation of rental income potential, nature of property, prevailing market condition, which ranged from 2.85% to 4.35% (2014: 3.25% to 4.25%) per annum	A significant increase in the capitalisation rate used would result in a significant decrease in the fair value of the investment property, and vice versa
	–	–	260,000,000	Level 2	Note	N/A	N/A

Note: On 23 January 2017, Peterson (London) Company Limited entered into a sale and purchase agreement with Big Target Holdings Limited, an indirectly wholly owned subsidiary of Emperor International Holdings Limited, to dispose of the investment property at a value of GBP260,000,000 through disposal of the entire equity interest in Peterson Ampersand S.à r.l. and Peterson Ampersand General Partner S.à r.l., which is considered as the fair value of the investment property as at 31 December 2016.

16. Rental and other receivables

	At 31 December		
	2014	**2015**	**2016**
	GBP	*GBP*	*GBP*
An analysis of rental and other receivables is as follows:			
Rental receivables	130,811	–	489
Other receivables	–	94,753	2,254
Accrued rental income	–	1,740,558	4,531,660
Deposit	5,000,000	–	1,421
VAT receivable	206,443	–	–
	5,337,254	1,835,311	4,535,824
Less: Non-current portion of accrued rental income	–	(1,740,558)	(4,007,075)
Current rental and other receivables	5,337,254	94,753	528,749

At 31 December 2014, deposit of GBP5,000,000 was held in an escrow account as security for construction payment. The entire amount was returned to the Peterson Ampersand Group in January 2015.

An aged analysis of the Peterson Ampersand Group's rental receivables (net of allowances) based on the invoice date at the end of each reporting period is set out below:

	At 31 December		
	2014	**2015**	**2016**
	GBP	*GBP*	*GBP*
0 – 30 days	–	–	–
31 – 90 days	–	–	–
91 – 180 days	130,811	–	489
	130,811	–	489

No credit period was granted to tenants of rental of premises. Before accepting any new tenants, the Peterson Ampersand Group will internally assess the credit quality of the potential tenant. Interest is charged on rental receivables in accordance with the terms of the tenant's lease.

As at 31 December 2014 and 2016, the rental receivables were past due but not impaired and all rental receivables have been settled subsequently.

17. Bank balances and cash

Bank balances and cash represent cash deposit and carry interest at prevailing market rate.

18. Trade and other payables

	At 31 December		
	2014	**2015**	**2016**
	GBP	*GBP*	*GBP*
Rental income received in advance	466,482	486,718	1,696,903
Loan interest payable	–	100,658	102,756
VAT payable	–	151,918	389,503
Other payables and accruals	25,239	23,465	78,846
	491,721	762,759	2,268,008

19. Amount due to immediate holding company

The amount due to immediate holding company was non-trade in nature, unsecured, non-interest bearing and fully settled in 2015.

20. Amount due to an intermediate holding company

	At 31 December		
	2014	2015	2016
	GBP	*GBP*	*GBP*
Interest bearing portion *(note a)*	112,403,130	38,199,365	40,704,589
Non-interest bearing portion *(note b)*	184,192	84,597	461,905
	112,587,322	38,283,962	41,166,494
Less: Amount due within one year shown under current liabilities	(62,554)	(87,052)	(461,368)
Amount due after one year shown under non-current liabilities	112,524,768	38,196,910	40,705,126

Notes:

(a) The amount is non-trade in nature, unsecured, bearing interest at fixed interest rate of 6.15% per annum and repayable in April 2023.

(b) The amount is non-trade in nature, unsecured, non-interest bearing and repayable on demand.

21. Secured bank borrowing

	At 31 December		
	2014	2015	2016
	GBP	*GBP*	*GBP*
The secured bank borrowing is repayable as follows:			
Within one year	–	2,310,000	2,310,000
Between one to two years	–	2,310,000	2,310,000
Between two to five years	–	70,779,909	68,768,944
	–	75,399,909	73,388,944
Less: Amount due within one year shown under current liabilities	–	(2,310,000)	(2,310,000)
Amount due after one year shown under non-current liabilities	–	73,089,909	71,078,944

The secured bank borrowing carries interest at London Interbank Offered Rate ("LIBOR") + 1.3% in 2015 and 2016 and is secured by the investment property of the Peterson Ampersand Group.

The effective interest rate of secured bank borrowing is at 1.85% per annum in 2015 and 2016.

22. Derivative financial instrument

	At 31 December		
	2014	**2015**	**2016**
	GBP	*GBP*	*GBP*
Derivative not under hedge accounting			
Interest rate collar contract	–	–	42,392

Derivative financial instrument represented the interest rate collar contract and it was entered by the Peterson Ampersand Group for the purpose of reducing the exposure of interest rate fluctuation of variable-rate secured bank borrowing outstanding at the end of the reporting period.

As at 31 December 2016, the notional amount of the interest rate collar contract is GBP74,112,500 of which the Peterson Ampersand Group agree to pay settlement monthly starting from 2 June 2016 to 1 July 2020 to the counterparty when the LIBOR is less than 0.5% and receive settlement from the counterparty when the LIBOR exceeds 1.98%. The interest rate collar contract will mature on 1 July 2020.

23. Deferred taxation

	Tax loss	Accelerated tax depreciation	Total
	GBP	*GBP*	*GBP*
At 1 January 2014	–	–	–
Credited (charged) to profit or loss (note 11)	–	–	–
At 31 December 2014	–	–	–
Credited (charged) to profit or loss (note 11)	–	–	–
At 31 December 2015	–	–	–
Credited (charged) to profit or loss (note 11)	293,458	(293,458)	–
At 31 December 2016	293,458	(293,458)	–

At the end of the years ended 31 December 2014, 2015 and 2016, the Peterson Ampersand Group has unused tax losses of GBP21,641,000, GBP23,497,000 and GBP19,208,000 available for offset against profits. A deferred tax asset has been recognised in respect of nil, nil and GBP1,467,000 of such losses for the years ended 31 December 2014, 2015 and 2016. No deferred tax asset has been recognised in respect of GBP21,641,000, GBP23,497,000 and GBP17,741,000 for the years ended 31 December 2014, 2015 and 2016 due to the unpredictability of future profit streams. The tax losses of the Peterson Ampersand Group might be carried forward indefinitely.

24. Share capital

The share capital as at 1 January 2014, 31 December 2014, 31 December 2015 and 31 December 2016 represents the share capital of Peterson Ampersand S.à r.l. and Peterson Ampersand General Partner S.à r.l..

25. Operating lease commitment

The Group as lessor

At end of each reporting period, the Peterson Ampersand Group had contracted with tenants to receive the following future minimum lease payments in respect of premises in the investment property, which fall due as follows:

	At 31 December		
	2014	**2015**	**2016**
	GBP	*GBP*	*GBP*
Within one year	2,244,996	6,943,139	6,911,263
In the second to fifth years inclusive	6,199,942	24,196,554	23,676,005
Over five years	7,556,060	28,509,969	22,857,110
	16,000,998	59,649,662	53,444,378

Certain premises in the Peterson Ampersand Group's investment property have committed tenants for the tenancy ranging from 3 to 14 years at the end of 31 December 2014, 2015 and 2016 and the rentals are pre-determined at fixed amounts. The lease commitments presented above is based on the existing committed monthly minimum lease payments.

26. Related party disclosures

Save as disclosed elsewhere in the Historical Financial Information, the Peterson Ampersand Group has not entered into any other material related party transactions during the Relevant Periods.

Compensation of key management personnel

No remuneration was paid to the managers and other members of key management for the Relevant Periods.

27. Particulars of the Peterson Ampersand Group

Particulars of the companies comprising the Peterson Ampersand Group as at 31 December 2014, 2015 and 2016 are as follows:

Name of company	Place of incorporation	Attributable percentage held by the Peterson Ampersand Group	Principal activities
Peterson Ampersand S.à r.l. *(note 1)*	Luxembourg	100%	Investment holding
Peterson Ampersand General Partner S.à r.l. *(note 1)*	Luxembourg	100%	Investment holding
Peterson Ampersand Nominee Limited *(note 2)*	UK	100%	Dormant
Peterson Ampersand Limited Partnership *(note 3)*	UK	100%	Property investment

Notes:

1. Directly owned by Peterson (London) Company Limited.

2. Directly owned by Peterson Ampersand General Partner S.à r.l..

3. 99.99% and 0.01% capital contribution attributable by Peterson Ampersand S.à r.l. and Peterson Ampersand General Partner S.à r.l., respectively.

28. Major non-cash transaction

During the years ended 31 December 2014, 2015 and 2016, interest expense of GBP6,517,254, GBP4,655,502 and GBP2,505,223 were settled through current account with an intermediate holding company.

29. Capital risk management

The management of the Peterson Ampersand Group manages its capital to ensure that the Peterson Ampersand Group will be able to continue as a going concern while maximising the return to the partners through the optimisation of the debt and equity balance. The Peterson Ampersand Group's overall strategy remains unchanged throughout the Relevant Periods.

The capital structure of the Peterson Ampersand Group consists of debt, which include amount due to an intermediate holding company and secured bank borrowing disclosed in notes 20 and 21 and equity attributable to owners of the Peterson Ampersand Group, comprising issued share capital and accumulated profits.

The management of the Peterson Ampersand Group reviews the capital structure regularly. As part of this review, the management of the Peterson Ampersand Group considers the cost of capital and the risks associated with each class of capital, and will balance its overall capital structure through new share issues as well as the issue of new debt or the redemption of existing debt.

30. Financial instruments

(a) Categories of financial instruments

	At 31 December		
	2014	**2015**	**2016**
	GBP	*GBP*	*GBP*
Financial assets			
Loan and other receivables			
Rental and other receivables	5,130,811	1,835,311	4,534,403
Bank balances and cash	545,584	2,388,502	7,865,818
	5,676,395	4,223,813	12,400,221
Financial liabilities			
At amortised cost			
Other payables	13,229	111,888	170,826
Amount due to immediate holding company	12,000	–	–
Amount due to an intermediate holding company	112,587,322	38,283,962	41,166,494
Secured bank borrowing	–	75,399,909	73,388,944
	112,612,551	113,795,759	114,726,264
FVTPL			
Derivative financial instrument	–	–	42,392

(b) Financial risk management objectives and policies

The Peterson Ampersand Group's financial instruments are listed in above table. Details of the financial instruments are disclosed in respective notes. The risks associated with these financial instruments mainly included market risk (interest risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Interest rate risk

The Peterson Ampersand Group is exposed to fair value interest rate risk in relation to its fixed-rate amount due to an intermediate holding company as disclosed in note 20.

The Peterson Ampersand Group is also exposed to cash flow interest rate risk due to the fluctuation of market interest rate on variable-rate bank balances and secured bank borrowing as disclosed in notes 17 and 21. It is the Peterson Ampersand Group's policy to keep its secured bank borrowing at floating rates of interest so as to minimise the fair value interest rate risk.

The Peterson Ampersand Group's cash flow interest rate risk is mainly concentrated on the fluctuations of LIBOR as disclosed in note 21. The Peterson Ampersand Group currently entered interest rate collar contract to manage its exposure to interest rate risk. Details of the interest rate collar contract are set out in note 22.

Sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for variable-rate secured bank borrowing at the end of the reporting period. The analysis is prepared assuming the amount of liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the possible change in interest rates of bank borrowings. No sensitivity analysis is presented for bank balances as the management of the Peterson Ampersand Group considered the Peterson Ampersand Group's exposure to cash flow interest rate risk of bank balances is not material.

If interest rates on secured bank borrowing had been 50 basis points higher/lower and all other variables were held constant, the Peterson Ampersand Group's post-profit for the year ended 2014, 2015 and 2016 would decrease/increase by nil, GBP301,600 and GBP293,556 respectively.

Credit risk

As 31 December 2016, the Peterson Ampersand Group's maximum exposure to credit risk which will cause a financial loss to the Peterson Ampersand Group due to failure to discharge an obligation by the counterparties arises from the carrying amount of the respective recognised financial assets as stated in the combined statements of financial position. In order to minimise the credit risk, the management of the Peterson Ampersand Group has hired an independent property manager responsible for monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Peterson Ampersand Group reviews the recoverable amount of each individual debt at the end of the reporting period to ensure the adequate impairment losses are made for irrecoverable amounts. In this regard, the management considers that the Peterson Ampersand Group's credit risk is significantly reduced.

The credit risks on bank balances and cash are limited because the counterparties are banks with high credit rating assigned by international credit rating agencies.

The Peterson Ampersand Group's concentration of credit risk by geographical location is solely in UK.

Liquidity risk

In the management of the liquidity risk, the Peterson Ampersand Group closely monitors its cash position resulting from its operations and maintains a level of cash and cash equivalents deemed adequate by the management to meet in full its financial obligations as they fall due for the foreseeable future.

The Peterson Ampersand Group relies on secured bank borrowing and amount due to an intermediate holding company as significant source of liquidity. At 31 December 2014, 2015 and 2016, based on the existing levels of bank balances and cash, the Peterson Ampersand Group will be able to meet its future cashflow requirements. Accordingly, the management considers that the Peterson Ampersand Group's liquidity risk is minimal.

The following table details the Peterson Ampersand Group's remaining contractual maturities for its non-derivative financial liabilities based on the undiscounted cash flows of non-derivative financial liabilities based on the earliest date on which the Peterson Ampersand Group can be required to pay. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate at the end of the reporting period.

In addition, the following table details the Peterson Ampersand Group's liquidity analysis for its derivative liabilities are prepared based on the contractual maturities as the management considers that the contracted maturities are essential for an understanding of the timing of the cash flows of derivatives.

The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is based on interest rate at the end of the reporting period.

Liquidity and interest risk table

	Weighted average interest rate	**Less than 1 year or repayable on demand**	**1 year to 5 years**	**Over 5 years**	**Total undiscounted cash flows**	**Total carrying amount**
	%	*GBP*	*GBP*	*GBP*	*GBP*	*GBP*
At 31 December 2014						
Non-derivative financial liabilities						
Other payables	–	13,229	–	–	13,229	13,229
Amount due to immediate holding company	–	12,000	–	–	12,000	12,000
Amount due to an intermediate holding company						
– non-interest bearing portion	–	184,192	–	–	184,192	184,192
– interest bearing portion	6.15	–	–	169,542,568	169,542,568	112,403,130
		209,421	–	169,542,568	169,751,989	112,612,551

	Weighted average interest rate	Less than 1 year or repayable on demand	1 year to 5 years	Over 5 years	Total undiscounted cash flows	Total carrying amount
	%	*GBP*	*GBP*	*GBP*	*GBP*	*GBP*
At 31 December 2015						
Non-derivative financial liabilities						
Other payables	–	111,888	–	–	111,888	111,888
Amount due to an intermediate holding company						
– non-interest bearing portion	–	84,597	–	–	84,597	84,597
– interest bearing portion	6.15	–	–	55,268,516	55,268,516	38,199,365
Secured bank borrowing	1.85	3,688,487	78,731,815	–	82,420,302	75,399,909
		3,884,972	78,731,815	55,268,516	137,885,303	113,795,759
At 31 December 2016						
Non-derivative financial liabilities						
Other payables	–	170,826	–	–	170,826	170,826
Amount due to an intermediate holding company						
– non-interest bearing portion	–	461,905	–	–	461,905	461,905
– interest bearing portion	6.15	–	–	56,389,851	56,389,851	40,704,589
Secured bank borrowing	1.85	3,649,500	75,082,315	–	78,731,815	73,388,944
		4,282,231	75,082,315	56,389,851	135,754,397	114,726,264
Derivative-net settlement						
Interests rate collar contract-net	–	42,392	–	–	42,392	42,392

Fair value

This note provides information about how the Peterson Ampersand Group's determines fair values of financial liability.

The Peterson Ampersand Group's financial liability is measured at fair value at the end of each reporting period. The following table gives information about how the fair value of this financial liability is determined (in particular, the valuation technique 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 are observable.

Financial liability	Fair value as at			Fair value hierarchy	Valuation technique and key inputs
	2014	**2015**	**2016**		
	GBP	*GBP*	*GBP*		
Interest rate collar contract	–	–	42,392	Level 2	Black-Scholes Model: The key inputs are the referenced floating interest rate, time to maturity, risk-free rate and the average implied volatility of the interest rate as at valuation date

Fair value of the Peterson Ampersand Group's financial assets and financial liabilities that are not measured at fair value on a recurring basis (but fair value disclosure are required).

The management of the Peterson Ampersand Group considers that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the Historical Financial Information approximate their fair values.

31. Events after the Relevant Periods

On 23 January 2017, Big Target Holdings Limited, an indirect wholly owned subsidiary of Emperor International Holdings Limited entered into a sale and purchase agreement with Peterson (London) Company Limited, in which Big Target Holdings Limited conditionally agreed to acquire the entire equity interest of Peterson Ampersand S.à r.l. and Peterson Ampersand General Partner S.à r.l. at a consideration, which equivalent to the adjusted net asset value of the Peterson Ampersand Group as at completion date, which excluded the accrued rental income, together with the settlement of amount due to an intermediate holding company and secured bank borrowing.

32. Subsequent financial statements

No audited financial statements of the entities comprising the Peterson Ampersand Group have been prepared in respect of any period subsequent to 31 December 2016.

Set out below is the management discussion and analysis of the performance of the Target Group for the three years ended 31 December 2014, 2015 and 2016:

BUSINESS OVERVIEW

The Target Companies are incorporated in Grand Duchy of Luxembourg and their major assets are investment in the Subsidiaries and through the Subsidiaries, the Property. The Property is Located at Nos.111-125 Oxford Street, No. 178 Wardour Street and No. 15 Hollen Street, London, W1F8ZZ, United Kingdom, it is a freehold 8-storey (including basement) composite building namely Ampersand Building comprising retail spaces, office premises and leasehold apartments with a total floor area of approximately 90,999 sq. ft. During the three years ended 31 December 2014, 2015 and 2016, the Target Group has no other business operation other than holding the Property for rental purpose.

FINANCIAL OVERVIEW

The table below set out the Target Group's statement of profit and loss and other comprehensive income for the three years ended 31 December 2014, 2015 and 2016:

	Year ended 31 December		
	2014	**2015**	**2016**
	GBP	*GBP*	*GBP*
Revenue	2,238,715	4,184,103	7,263,884
Direct operating expenses in respect of leasing of investment property	(106,916)	(1,172,340)	(17,725)
Gross profit	2,131,799	3,011,763	7,246,159
Other gains or losses	451,818	163,670	3,487,456
Fair value changes of investment property	87,434,500	38,400,000	39,356,744
Administrative expenses	(99,809)	(254,461)	(214,584)
Finance costs	(6,517,254)	(5,335,584)	(4,117,154)
Profit before taxation	83,401,054	35,985,388	45,758,621
Taxation	–	–	–
Profit and total comprehensive income for the year	83,401,054	35,985,388	45,758,621

Revenue

For the three years ended 31 December 2014, 2015 and 2016, the Target Group revenue was approximately GBP2.24 million, approximately GBP4.2 million and approximately GBP7.3 million respectively, the increase in gross rental income from major customers contributed enormously to the increase in revenue.

Change in fair value of investment property

The Property is classified as investment property and is stated at fair value based on the valuation performed by an independent professional valuer. It was initially measured at cost and shall be measured at its fair value at the end of its financial period. For the three years ended 31 December 2014, 2015 and 2016, the change in fair value of investment property of the Target Group amounted to approximately GBP87.4 million, GBP38.4 million and GBP39.4 million respectively.

Finance cost

For the three years ended 31 December 2014, 2015 and 2016, the finance cost mainly comprising (i) interest expenses on Intra-Group debt and (ii) interest expenses on secured bank borrowing was approximately GBP6.5 million, approximately GBP5.3 million and approximately GBP4.1 million respectively.

Net profit

For the two years ended 31 December 2014 and 2015, the Target Group recorded net profits of approximately GBP83.4 million and GBP35.9 million respectively, representing a decrease of approximately 56.85%. Such decrease was mainly due to the decrease in recognition of gain on change in fair value of investment properties of the Target Group from approximately GBP87.4 million in 2014 to approximately GBP38.4 million in 2015.

For the year ended 31 December 2016, the Target Group recorded net profits of approximately GBP45.8 million, representing an increase of approximately 27.16% comparing to approximately GBP35.9 million for the year ended 31 December 2015. Such increase was mainly due to the increase in recognition of gain on change in fair value of investment properties of the Target Group from approximately GBP38.4 million in 2015 to approximately GBP39.4 million in 2016.

FINANCIAL RESOURCES, LIQUIDITY AND CAPITAL STRUCTURES

Financial resources

For the year ended 31 December 2014, the Target Group's business activities were financed by cash flows generated internally from Property's rental income and advances from the Intra-Group. The Target Group did not have any outstanding bank borrowings as at 31 December 2014.

During the two years ended 31 December 2015 and 2016, the Target Group's business activities were financed mainly by cash flows generated internally from Property's rental income, advances from the Intra-Group and the bank borrowings.

As at 31 December 2014, 2015 and 2016, the Target Group's net assets amounted to approximately GBP73.8 million, approximately GBP109.8 million and approximately GBP 155.5 million respectively. The bank balance and cash were deposits of approximately GBP0.5 million, approximately GBP2.4 million and approximately GBP7.9 million at 31 December 2014, 2015 and 2016 respectively.

As at 31 December 2014, 2015 and 2016, the Target Group had interest bearing Intra-Group debt amounted to approximately GBP112.4 million, approximately GBP38.2 million and approximately GBP40.7 million respectively, which bears interest at a fixed interest rate of 6.15% per annum and repayable on April 2023.

As at 31 December 2015 and 2016, the Target Group had bank borrowings of approximately GBP75.4 million and GBP73.4 million respectively, which was secured by the Property and bearing interest of LIBOR + 1.3% per annum. The gearing ratio of the Target Group (calculated by the total bank borrowings as a percentage to total assets) as at 31 December 2014, 2015 and 2016 was nil, approximately 33.60%, approximately 26.90% respectively.

EMPLOYEE

For the three years ended 31 December 2014, 2015 and 2016, the Target Group did not have any employees. No emolument was paid to the directors or any individuals of the Target Group, and no directors had waived or agreed to waive any emoluments.

PLEDGE ASSETS

The Property was pledged to bank to secure bank borrowing granted to the Target Group as at the Latest Practicable Date.

Treasury policy and hedging arrangement

For the three years ended 31 December 2014, 2015 and 2016, the Target Group did not have any treasury policy or hedging arrangement except the interest rate collar contract in the year ended 31 December 2016.

MATERIAL INVESTMENTS, CAPITAL ASSETS, ACQUISITION AND DISPOSAL

Save as disclosed in the Accountants' Report, for the three years ended 31 December 2014, 2015 and 2016, the Target Group did not have any significant investment, any material acquisitions or disposals of subsidiaries and associated companies, nor any future plans for material investments or capital assets.

FOREIGN CURRENCY EXPOSURE

As the Target Group's monetary assets and liabilities are all denominated in GBP and Target Group conducts its business transactions only in GBP, the currency risk of the Target Group is remote and Target Group does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

CONTINGENT LIABILITIES

The Target Group did not have foreign exchange exposure nor any material contingent liabilities as at 31 December 2014, 2015 and 2016 respectively.

1. INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following is the text of a report prepared for inclusion in this circular received from Deloitte Touche Tohmatsu, the independent reporting accountants.

Deloitte. 德勤

To the Directors of Emperor International Holdings Limited

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Emperor International Holdings Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group") by the directors of the Company (the "Directors") for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of assets and liabilities as at 30 September 2016 and related notes as set out on pages III-4 to III-8 of the circular issued by the Company dated 28 April 2017 (the "Circular"). The applicable criteria on the basis of which the Directors have compiled the unaudited pro forma financial information are described on pages III-4 to III-8 of the Circular.

The unaudited pro forma financial information has been compiled by the Directors to illustrate the impact of the proposed acquisition of the entire equity interest of Peterson Ampersand General Partner S.à r.l and Peterson Ampersand S.à r.l. on the Group's financial position as at 30 September 2016 as if the transactions had taken place at 30 September 2016. As part of this process, information about the Group's financial position has been extracted by the Directors from the Group's financial statements for the six months ended 30 September 2016, on which no auditor's report or review conclusion has been published.

Directors' Responsibilities for the Unaudited Pro Forma Financial Information

The Directors are responsible for compiling the unaudited pro forma financial information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" ("AG 7") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the "Code of Ethics for Professional Accountants" issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Control 1 "Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements" issued by the HKICPA and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants' Responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the unaudited pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 "Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus" issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the unaudited pro forma financial information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the unaudited pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the unaudited pro forma financial information.

The purpose of unaudited pro forma financial information included in an investment circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 30 September 2016 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the Group, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

(a) the unaudited pro forma financial information has been properly compiled on the basis stated;

(b) such basis is consistent with the accounting policies of the Group; and

(c) the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong

28 April 2017

2. UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE ENLARGED GROUP

Basis of preparation of the unaudited pro forma combined statement of assets and liabilities of the Enlarged Group

The following unaudited pro forma financial information of the Enlarged Group (''Unaudited Pro Forma Financial Information''), being the Company and its subsidiaries (collectively referred to as the ''Group'') together with Peterson Ampersand General Partner S.à r.l., Peterson Ampersand S.à r.l., Peterson Ampersand Limited Partnership and Peterson Ampersand Nominee Limited (collectively referred as the ''Peterson Ampersand Group''), is prepared by the directors of the Company (the ''Directors'') to illustrate the effect of the acquisition of the entire equity interest of Peterson Ampersand S.à r.l. and Peterson Ampersand General Partner S.à r.l. (the ''Transaction'') on the Group, as if the Transaction had been completed on 30 September 2016. Details of the Transaction are set out in the section headed ''Letter from the Board'' contained in this Circular.

The Unaudited Pro Forma Financial Information has been prepared in accordance with Rule 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, for the purpose of illustrating the effect of the Transaction pursuant to the terms of the acquisition agreement dated 23 January 2017 entered into between the Group and the equity owners of Peterson Ampersand Group.

The unaudited pro forma condensed combined statement of assets and liabilities is prepared based on (i) the information on the unaudited condensed consolidated statement of financial position of the Group as at 30 September 2016, which has been extracted from the published interim report of the Group for the six months ended 30 September 2016; (ii) the information on the underlying financial information of the Peterson Ampersand Group as at 31 December 2016, which has been extracted from the accountants' report as set out in Appendix II to this circular and after making pro forma adjustments relating to the Transaction that are (i) directly attributable to the Transaction and (ii) factually supportable, as if the Transactions had been completed on 30 September 2016. The Unaudited Pro Forma Financial Information is prepared based on a number of assumptions, estimates and uncertainties. Accordingly, because of its hypothetical nature, it may not give a true picture of the financial position of the Enlarged Group had Transaction been completed as at 30 September 2016 or at any future date.

The Unaudited Pro Forma Financial Information should be read in conjunction of the historical financial information of the Group and Peterson Ampersand Group, as set out in the published interim report of the Group for the six months ended 30 September 2016 and the accountants' report of Peterson Ampersand Group as set out in Appendices IIA to this Circular, respectively and other financial information included elsewhere in the Circular.

Unaudited Pro Forma Condensed Consolidated Statement of Assets and Liabilities of the Enlarged Group

	The Group as at 30 September 2016	Peterson Ampersand Group as at 31 December 2016	Pro forma adjustments				Pro forma
			Peterson Ampersand Group as at 31 December 2016				Enlarged Group as at 30 September 2016
	HK$'000	*GBP*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	Note 1	*Note 2*	*Note 2*	*Note 3*	*Note 4*	*Note 5*	
Non-current assets							
Investment properties	35,682,913	260,000,000	2,490,800				38,173,713
Property, plant and equipment	3,519,913	–	–				3,519,913
Deposits paid for acquisition of investment properties/property, plant and equipment	24,037	–	–				24,037
Deferred taxation	–	–	–				–
Receivables related to a development project	172,473	–	–				172,473
Prepaid lease payments	551,117	–	–				551,117
Interest in a joint venture	612,514	–	–				612,514
Goodwill	56,683	–	–				56,683
Other assets	4,092	–	–				4,092
Other receivables	–	4,007,075	38,388				38,388
Pledged bank deposits	30,508	–	–				30,508
	40,654,250	264,007,075	2,529,188	–	–	–	43,183,438
Current assets							
Inventories	14,791	–	–				14,791
Properties held for sale	357,729	–	–				357,729
Properties under development for sale	1,450,870	–	–				1,450,870
Prepaid lease payments	17,252	–	–				17,252
Trade and other receivables	667,949	528,749	5,065				673,014
Taxation recoverable	8,278	–	–				8,278
Deposit in designated bank account for development properties	9,421	–	–				9,421
Pledged bank deposits	328	–	–				328
Bank balances and cash	3,891,270	7,865,818	75,355	(2,544,061)	(406)	(10,023)	1,412,135
	6,417,888	8,394,567	80,420	(2,544,061)	(406)	(10,023)	3,943,818

	The Group as at 30 September 2016	Peterson Ampersand Group as at 31 December 2016	Peterson Ampersand Group as at 31 December 2016	Pro forma adjustments			Pro forma Enlarged Group as at 30 September 2016
	HK$'000	*GBP*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	Note 1	*Note 2*	*Note 2*	*Note 3*	*Note 4*	*Note 5*	
Current liabilities							
Trade and other payables	(1,158,658)	(2,268,008)	(21,728)				(1,180,386)
Amount due to a related company	(446,169)	–	–				(446,169)
Amounts due to non-controlling interests of subsidiaries	(126,000)	–	–				(126,000)
Amount due to an intermediate holding company	–	(461,368)	(4,420)	4,420			–
Unsecured notes	(1,638,787)	–	–				(1,638,787)
Taxation payable	(705,056)	–	–				(705,056)
Bank borrowings – due within one year	(1,640,667)	(2,310,000)	(22,130)	22,130			(1,640,667)
	(5,715,337)	(5,039,376)	(48,278)	26,550	–	–	(5,737,065)
Net current assets (liabilities)	702,551	3,355,191	32,142	(2,517,511)	(406)	(10,023)	(1,793,247)
Total assets less current liabilities	41,356,801	267,362,266	2,561,330	(2,517,511)	(406)	(10,023)	41,390,191
Non-current liabilities							
Amount due to a related company	(1,643,374)	–	–				(1,643,374)
Amount due to an intermediate holding company	–	(40,705,126)	(389,955)	389,955			–
Unsecured notes	(4,782,901)	–	–				(4,782,901)
Bank borrowings – due after one year	(8,720,058)	(71,078,944)	(680,936)	680,936			(8,720,058)
Derivative financial instrument	–	(42,392)	(406)		406		–
Deferred taxation	(1,201,818)	–	–				(1,201,818)
	(16,348,151)	(111,826,462)	(1,071,297)	1,070,891	406	–	(16,348,151)
	25,008,650	155,535,804	1,490,033	(1,446,620)	–	(10,023)	25,042,040

Notes to the Unaudited Pro Forma Financial Information of the Enlarged Group:

1. The financial information of the Group as at 30 September 2016 are extracted from the published interim report of the Group for the six months ended 30 September 2016.

2. The adjustments represent the inclusion of the combined assets and liabilities of the Peterson Ampersand Group as at 31 December 2016 as extracted from the accountants' report on historical financial information of the Peterson Ampersand Group for each of the three years ended 31 December 2016 as set out in Appendix IIA to this Circular, which has been prepared in accordance with accounting policies of the Group, with certain adjustments being made to be in line with presentation of the financial information of the Group where appropriate, and translated to Hong Kong Dollars ("HK$") at Great British Pound ("GBP") 1 to HK$9.58 with reference to the closing rate published by OANDA (https://www.oanda.com/lang/cns/currency/historical-rates) at 31 December 2016. No representation is made that any amount in GBP could be or could have been converted to HK$ at the relevant date at that rate or at all.

3. On 23 January 2017, Big Target Holdings Limited, an indirectly wholly owned subsidiary of Emperor International Holdings Limited, entered into a sale and purchase agreement with Peterson (London) Company Limited in relation to the Transaction at a cash consideration based on adjusted net asset value of Peterson Ampersand Group as of completion date. In addition, the Group has also agreed to settle the Peterson Ampersand Group's total liabilities due to Peterson Holdings Company Limited and total outstanding liabilities and obligations due to a financial institution as lender as of completion date as part of the consideration. Therefore, for the purpose of the Unaudited Pro Forma Financial Information, the total consideration of approximately GBP265,559,000 (equivalent to HK$2,544,061,000), comprise of (i) adjusted net asset value of Peterson Ampersand Group as of 31 December 2016 of approximately GBP151,004,000 (equivalent to HK$1,446,620,000), which excluded the accrued rental income of approximately GBP 4,532,000 (equivalent to HK$ 43,413,000) and (ii) the repayment of the amount due to an intermediate holding company and bank borrowings of approximately GBP41,166,000 (equivalent to HK$394,375,000) and GBP73,389,000 (equivalent to HK$703,066,000), respectively as if the Transaction had been completed on 30 September 2016.

   The amount due to an intermediate holding company and bank borrowings amounted to approximately GBP41,166,000 (equivalent to HK$394,375,000) and GBP73,389,000 (equivalent to HK$703,066,000) would be settled by the Group at the completion date per the acquisition agreement. Therefore, the amounts are eliminated on, as part of the consideration in the pro forma adjustment.

   Under Hong Kong Financial Reporting Standards ("HKFRSs"), the acquisition of Peterson Ampersand Group were accounted for as acquisition of assets and liabilities as Peterson Ampersand Group proposed to be acquired by the Company does not constitute a business. Assuming that the acquisition of Peterson Ampersand Group had taken place on 30 September 2016, the combined assets and liabilities of the Peterson Ampersand Group as at 31 December 2016 have no material differences from the combined assets and liabilities of the Peterson Ampersand Group as at 30 September 2016.

   The actual cash consideration payable by the Group and the actual purchase cost allocation of net assets to be acquired is subject to change and will be determined as of the date of completion and may differ materially from the amount disclosed above in the pro forma financial information.

4. The adjustment represents the settlement of derivative financial instrument (the interest rate collar contract which was entered by Peterson Ampersand Group) as one of the seller's obligations, amounted approximately GBP42,000 (equivalent to HK$406,000) before the date of completion according to the sale and purchase agreement.

5. The adjustment represents estimated acquisition-related costs (including professional fees to legal advisers, financial advisers, reporting accountants, properties valuer, agent commission and other expenses) of approximately HK$10,023,000 directly in relation to the Transaction.

6. No adjustments have been made to reflect any trading result or other transactions of the Group entered into subsequent to 30 September 2016.

Emperor International Holdings Limited
28/F Emperor Group Centre
288 Hennessy Road
Wanchai
Hong Kong

Dear Sirs

VALUATION REPORT

1. Instructions

1.1. Appointment

We are pleased to submit our valuation report, which has been prepared in connection with the acquisition of the Property by Emperor International Holdings Limited ("the Company") for the purpose of public circular. We understand that the value of the Property is agreed by the parties of the transaction at GBP260,000,000.

2. Background to the Valuation

2.1. Property

The Property is detailed in Part B. We understand it will be held for investment purposes.

3. Bases of Valuation

The valuation has been prepared in accordance with the RICS (Royal Institution of Chartered Surveyors) Valuation – Professional Standards (the "Red Book") by a valuer acting as an External Valuer, as defined within the Red Book. We have adopted an income capitalisation approach. The valuation date is 31 March 2017.

3.1. Bases

The property in Part B has been valued on the basis of Special Assumption Market Value (assuming the Property is sold in a corporate vehicle, which does not incur any stamp duty land tax liability), subject to any existing leases and otherwise assuming vacant possession.

3.2. Special Assumption Market Value Definition

We have assessed "Market Value" in accordance with the Red Book.

Valuation Practice Statement ("VPS") 4.1.2 of the Red Book defines Market Value as "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion." VPS 4.1.2 of the Red Book applies the conceptual framework which is set out in International Valuation Standards ("IVS") Framework paragraphs 30-34. The conceptual framework settled by the International Valuation Standards Council is set out in paragraphs 30-34 of the IVS Framework. *"The basis of valuation therefore complies with the requirements of the International Valuation Standards."*

In preparing our valuation on this basis, it is necessary for us to prepare valuations on a "Special Assumption". A Special Assumption is referred to in the Glossary in the Red Book as an assumption that "either assumes facts that differ from the actual facts existing at the valuation date, or that would not be made by a typical market participant in a transaction on the valuation date". In the circumstances of this instruction, we consider the above Special Assumptions may be regarded as realistic, relevant and valid.

3.3. Market Rent Definition

We have assessed "Market Rent" in accordance with the Red Book.

The Red Book defines Market Rent as "the estimated amount for which an interest in real property should be leased on the valuation date between a willing lessor and a willing lessee on appropriate lease terms in an arm's length transaction after proper marketing where the parties had each acted knowledgeably, prudently and without compulsion."

3.4. Estimated Net Annual Rents Receivable

In the Part B schedule, we set out our estimates of the net annual rents currently receivable from the Investment Property. In providing these estimates, we define "net annual rent" as "the current income or income estimated by the valuer:

(a) ignoring any special receipts or deductions arising from the property;

(b) excluding Value Added Tax ("VAT") and before taxation (including tax on profits and any allowances for interest on capital or loans); and

(c) after making deductions for superior rents (but not for amortisation) and any disbursements including, if appropriate, expenses of managing the property and allowances to maintain it in a condition to command its rent."

Where premises are let on effective full repairing and insuring leases, the net annual rents receivable stated in the schedule are the presently contracted rents payable under those leases or agreements to lease without any deduction for the cost of management or any other expenses.

The Part B schedule sets out our opinion of the current Estimated Net Annual Rents, which is on the basis of Market Rent. Where there are outstanding or forthcoming reviews, rental value has been assessed in accordance with the terms of the occupational lease review provisions. Otherwise, rental value has been assessed on the basis of Market Rent, assuming a new lease drawn on terms appropriate to current practice in the relevant market.

4. Assumptions, Departures and Reservations

In valuing the Property, as per our instruction, we have made the Special Assumption that the Property is traded in a corporate vehicle, with the benefit of having nil liability to pay stamp duty land tax on the purchase (which would usually be 5.00% of the Net Value).

We have made no Departures from the Red Book. The valuation is not subject to a reservation.

4.1. Tenure and Tenancies

We have not inspected title deeds and we have relied on the information supplied and listed at paragraph 6 of this Report as being correct and complete. No allowance has been made in our valuation for any charges, mortgages or amounts owings on the Property nor any expenses or taxation which may be incurred in effecting the sales. We have assumed the absence of unusually onerous restrictions, covenants or other encumbrances and that the property has a good and marketable title. Where supplied with legal documentation, we have considered it but we will not take responsibility for the legal interpretation of it, though we confirm that based on the legal information provided, we are not aware of any unusually onerous restrictions, covenants or other encumbrances which adversely impact our opinion of value.

4.2. Structure

A structural survey of the property has been carried out by Cushman & Wakefield as part of a separate instruction; we have relied upon this information, as supplied and listed at paragraph 6 of this Report. Further, no inspection has been made of the woodwork and other parts of the structures which are covered, unexposed or inaccessible. In the absence of information to the contrary, the valuation is on the basis that the property is free from defect. However, the value reflects the apparent general state of repair of the property noted during inspection, but we do not give any warranty as to the condition of the structure, foundations, soil and services. Our report should not be taken or interpreted as giving any opinion or warranty as to the structural condition or state of repair of the property, nor should such an opinion be implied.

4.3. Planning and Statutory Regulations

We have not been instructed to make formal searches with local planning authorities and we have relied on the information supplied and listed at paragraph 6 of this Report. We recommend that your lawyers be instructed to confirm the planning position relating to the property and review our comments on planning in the light of their findings.

4.4. Covenant

Our valuation takes into account potential purchasers' likely opinion of the financial strength of tenants. However, we have not undertaken any detailed investigations on the covenant strength of the tenants. Unless informed to the contrary by you or in the information supplied and listed at paragraph 6 of this Report, we have assumed that there are no significant arrears and that the tenants are able to meet their obligations under their leases or agreements.

4.5. Floor Areas

The Company has provided us with floor areas of the properties. We have relied on these areas and have not checked them on site. We have assumed that the areas supplied to us have been measured in accordance with the RICS Code of Measuring Practice.

4.6. Other

Our valuation takes into account the information supplied and listed at paragraph 6 of this Report. Subject to this information providing otherwise, we have made the following additional assumptions:

(i) the properties and any existing buildings are free from any defect whatsoever;

(ii) all buildings have been constructed having appropriate regard to existing ground conditions or that these would have no unusual effect on building costs, property values or viability of any development or existing buildings;

(iii) all the building services (such as lifts, electrical, gas, plumbing, heating, drainage and air conditioning installations and security systems) and property services (such as incoming mains, waste, drains, utility supplies, etc) are in good working order without any defect whatsoever;

(iv) there are no environmental matters (including but not limited to actual or potential land, air or water contamination, or by asbestos or any other harmful or hazardous substance) that would affect the property, any development or any existing buildings on the property or any adjoining property, and we shall not be responsible for any investigations into the existence of the same and you are responsible for making such investigations;

(v) any building, the building services and the property services comply with all applicable current regulations (including fire and health and safety regulations);

(vi) the properties and any existing buildings on the property comply with all planning and building regulations, have the benefit of appropriate planning consents or other statutory authorisation for the current use and no adverse planning conditions or restrictions apply (which includes, but is not limited to, threat of or actual compulsory purchase order);

(vii) any occupational leases are on full repairing and insuring terms, with no unusually onerous provisions or covenants that would affect value;

(viii) in respect of any lease renewals or rent reviews, all notices have been served validly within any time limits;

(ix) any valuation figures provided will be exclusive of VAT whether or not the building has been elected.

5. Inspection

We undertook a full inspection of the Property on 10 January 2017. We were able to gain access to all areas relevant for the purpose of our valuation. The Property was inspected by John Bareham and Max Weitzmann, both are Members of the Royal Institution of Chartered Surveyors.

6. Sources of Information

In addition to information established by us, we have relied on the information obtained from the persons below:

	Information	Source
1.	Floor areas.	Plowman Craven Ltd. (a measurement survey companies in the United Kingdom)
2.	Tenancy Schedule.	The Company
3.	Details of irrecoverable outgoings, rental arrears and other management matters.	The Company
4.	Details of current negotiations in hand, e.g. rent reviews and active management issues	The Company
5.	Legal Title	Mayer Brown LLP (a global legal services provider)

Cushman & Wakefield Debenham Tie Leung Limited accepts responsibility for the information contained in the Valuation Report (other than information contained in the Valuation Report which is stated to have been obtained from a third party as set out in the table above). To the best of the knowledge of Cushman & Wakefield Debenham Tie Leung Limited (having taken all reasonable care to ensure that such is the case) the information contained in this Valuation Report is in accordance with the facts and (in the reasonable opinion of Cushman & Wakefield Debenham Tie Leung Limited) does not omit anything likely to affect the import of such information.

7. General Comment

Our opinion of value is based on an analysis of recent market transactions, supported by market knowledge derived from our agency experience. Our valuation is supported by this market evidence.

Where there are outstanding or forthcoming reviews, rental value has been assessed in accordance with the terms of the occupational lease review provisions. Otherwise, rental value has been assessed on the basis of Market Rent, assuming a new lease drawn on terms appropriate to current practice in the relevant market.

All valuations are professional opinions on a stated basis, coupled with any appropriate assumptions or special assumptions. A valuation is not a fact, it is an estimate. The degree of subjectivity involved will inevitably vary from case to case, as will the degree of certainty, or probability, that the valuer's opinion of market value would exactly coincide with the price achieved were there an actual sale at the valuation date.

The purpose of the valuation does not alter the approach to the valuation.

Property values can change substantially, even over short periods of time, and so our opinion of value could differ significantly if the date of valuation was to change. If you wish to rely on our valuation as being valid on any other date you should consult us first.

Should a sale be contemplated, we strongly recommend that the property is given proper exposure to the market.

We recommend that you keep the valuation of this property under frequent review.

You should not rely on this report unless any reference to tenure, tenancies and legal title has been verified as correct by your legal advisers.

8. Valuation

8.1. Market Value

Our opinion of the Special Assumption Market Value of the freehold interest in the Property detailed in Part B as at 31 March 2017 is:

£260,250,000

(Two Hundred and Sixty Million, Two Hundred and Fifty Thousand Pounds)

9. Financial Conduct Authority ("FCA") Compliance

For the purposes of Rule 5.5.3(R) (2)(f) of the FCA Prospectus Rule ("Prospectus") contained in the FCA Handbook, we are responsible for this Report and we will accept responsibility for the information contained in this Report and confirm that to the best of our knowledge (having taken all reasonable care to ensure that such is the case), the information contained in this Report is in accordance with the facts and contains no omissions likely to affect its import. This Report complies with Rule 5.6.5G of the Prospectus Rules and paragraphs 128 to 130 of The Committee of European Securities Regulators' recommendations for the consistent implementation of the European Commission's Regulation on Prospectuses no. 809/2004.

We also confirm that for the purposes of the Listing Rules issued by the Financial Conduct Authority, neither the signatories to this report or Cushman & Wakefield Debenham Tie Leung Limited has an interest (material or otherwise) in the entity.

10. Confidentiality

To the fullest extent permitted by the law (including any mandatory responsibility arising from the listing rules of any stock exchange) we do not assume any responsibility to and we hereby exclude all liability arising from use of and/or reliance on this report by any person other than those parties to whom this report is addressed and to whom we have issued a reliance letter.

11. Disclosure and Publication

The Company must not disclose the contents of this valuation report to a third party in any way without first obtaining our written approval to the form and context of the proposed disclosure. The Company must obtain our consent, even if we are not referred to by name or our valuation report is to be combined with others. We will not approve any disclosure that does not refer sufficiently to any Special Assumptions or Departures that we have made.

The liability of Cushman & Wakefield Debenham Tie Leung Limited and its directors and employees is limited to the addressee of this report only. No accountability, obligation or liability to any third parties is accepted.

The Company agrees to indemnify and hold us harmless against and from any and all losses, claims, actions, damages, expenses, or liabilities, including reasonable attorneys' fees, to which we may become subjects in connection with this engagement. The Company's obligation for indemnification and reimbursement shall extend to any controlling person of Cushman & Wakefield Debenham Tie Leung Limited, including any director, officer, employee, subcontractor, affiliate or agent. In the event we are subject to any liability in connection with this engagement, regardless of legal theory advanced, such liability will be limited to the lesser of 25% of Market Value or GBP25 million.

The Company must not modify, alter (including altering the context in which the report is displayed) or reproduce the contents of this valuation report (or any part) without first obtaining our written approval. Any person who contravenes this provision shall be responsible for all of the consequences of the same, including indemnifying Cushman & Wakefield Debenham Tie Leung Limited against all consequences of the contravention. Cushman & Wakefield Debenham Tie Leung Limited accepts no liability for any use of the Report that is in contravention of this section.

Yours faithfully

John Bareham MRICS
International Partner
RICS Registered Valuer of the Royal Institution of Chartered Surveyors
For and on behalf of
Cushman & Wakefield Debenham Tie Leung Limited

Part B Schedule

PROPERTY REPORT

Property Held as Investment

Property/Tenure	Description	Terms of Existing Tenancies	Net Annual Rents Receivable	Estimated net Annual Rents	Special Assumption Market Value
Ampersand Building, 178 Wardour Street, London/Freehold *Title Number: NGL887572*	Oxford Street retail dates from the late 1800's. The offices on Wardour Street were originally built in the 1980's and refurbished and extended in 2015 when two additional floors (including the residential) were added.	The property has a Weighted Average Unexpired Lease Term of 8.09 years to expiry and 7.44 years to break. The leases incorporate upwards only rent reviews.	GBP7,751,302	GBP9,776,250	GBP260,250,000

Notes:

1. The registered owners of the Property are Peterson Ampersand General Partner S.à.r.l. and Peterson Ampersand Nominee Limited.

2. The Property is subject to a charge in favour of DBS Bank Ltd London Branch.

TENANCY REPORT

Unit	Existing Use	Net Internal Area sq m	sq ft	Terms of lease From	To	Rent Review Date	Break clause	Current Rent £ per annum exclusive
111 Oxford Street	Retail Shop	275.8	2,968	08/09/2014	07/09/2024	08/09/2019	08/09/2019	GBP375,000
113-117 Oxford Street	Bank	688.3	7,409	01/08/2013	31/07/2028	01/08/2018 01/08/2023	N/A	GBP895,000
119-121 Oxford Street	Retail Shop	443.1	4,771	24/07/2016	23/07/2018	N/A	24/07/2017	GBP448,500
123-125 Oxford Street	Retail Shop	457.4	4,923	09/02/2012	08/02/2022	09/02/2017	05/02/2017	GBP550,000
182 Wardour Street	Gourmet Outlet	106.2	1,143	21/11/2006	20/11/2021	21/11/2016	N/A	GBP69,000
178 Wardour Street	Retail Shop	185.2	1,994	05/02/2014	04/02/2019	N/A	N/A	GBP123,000
Ground – 4th floor	Office	6,298.1	67,791	19/08/2015	18/08/2025	19/08/2020	18/08/2025	GBP5,250,552
Residential	12 Apartments	N/A	N/A					GBP250
Total		**8,454.1**	**90,999**					**GBP7,711,302**

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in the compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this document is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this document misleading.

2. DISCLOSURE OF DIRECTORS' INTERESTS

As at the Latest Practicable Date, the following Directors and chief executives of the Company were interested, or were deemed or taken to be interested in the following long and short positions in the shares, underlying shares and debentures of the Company or any of its associated corporation (within the meaning of Part XV of the SFO) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO; or (b) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules ("Model Code") adopted by the Company to be notified to the Company and the Stock Exchange.

(a) Long position interests in the Company

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. Luk Siu Man, Semon ("Ms. Semon Luk")	Interest of spouse	2,747,610,489 *(Note)*	74.71%
Ms. Fan Man Seung, Vanessa	Beneficial Owner	10,500,000	0.29%

Note:

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

(b) Long position interests in ordinary shares of associated corporations

Name of Director	Name of associated corporation	Capacity/Nature of interests	Number of issued ordinary share(s) held	Approximate% holding
Ms. Semon Luk	Emperor Entertainment Hotel Limited ("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. These respective shares were ultimately owned by the AY Trust whose founder is Dr. Albert Yeung. By virtue of being the spouse of Dr. Albert Yeung, Ms. Semon Luk had deemed interests in the same shares.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors were interested, or were deemed to be interested in the long and short positions in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO; or (b) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) were required, pursuant to the Model Code adopted by the Company to be notified to the Company and the Stock Exchange.

As at the Latest Practicable Date, none of the Directors was a director or an employee of a company which had an interest or short position in the Shares and underlying Shares of the Company would fall to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO.

3. DISCLOSURE OF SUBSTANTIAL SHAREHOLDERS' INTERESTS

As at the Latest Practicable Date, so far as is known to any Director 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 an interest and short positions in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO:

Name	Capacity/Nature of interests	Number of Shares interested in or deemed to be interested	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 set out under Section (a)(i) of "DISCLOSURE OF DIRECTORS' INTERESTS" above.

All interests stated above represent long positions. As at the Latest Practical Date, no short positions were recorded or disclosed to the Company or the Stock Exchange.

Save as disclosed above, as at the Latest Practicable Date, so far is known to the Directors or chief executives of the Company, no other person or corporation (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 any Shares or underlying Shares which would full to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, who was, directly or indirectly, interested in 10% or more of the issued voting shares of any other member of the Group.

4. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, no Directors had any existing or proposed service contracts with the Company or any member of the Group which is not determinable within one year without payment of compensation other than statutory compensation.

5. MATERIAL CONTRACTS

During the two years immediately preceding the date of this circular up to and including the Latest Practicable Date, the following contracts (not being contracts entered into in the ordinary course of business of the Group) have been entered into by the Enlarged Group and are or may be material:

1. An agreement dated 17 December 2014 entered into between the Company and Joint Arrangers (as defined therein) in relation to a programme for issuing medium term notes in an aggregate nominal amount not exceeding USD1,000,000,000 (or equivalent) ("MTN Programme") in the debt capital markets from time to time;

2. a note subscription agreement dated 9 September 2016 enter into between the Company and the Managers (as defined therein) in relation to the issue of US$200,000,000 4.00 per cent. notes due 2021 by the Company under the MTN Programme;

3. a note subscription agreement dated 23 March 2017 enter into between the Company and the Managers (as defined therein) in relation to the issue of US$200,000,000 5.00 per cent. notes due 2022 under the MTN Programme, and

4. a note subscription agreement dated 23 March 2017 enter into between the Company and the Managers (as defined therein) in relation to the issue of HK$800,000,000 4.70 per cent. notes due 2022 by the Company under the MTN Programme.

6. LITIGATION

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries was engaged in any litigation or claims of material importance and no litigation or claims of material importance is known to the Directors to be pending or threatened against the Group.

7. COMPETING INTERESTS

As at the Latest Practicable Date, the interests of Directors or their close respective associates in the businesses which are considered to compete or are likely to compete, either directly or indirectly, with the business of the Group as required to be disclosed pursuant to the Listing Rules were as follows:

Name	Name of Company	Nature of interests	Competing business
Ms. Semon Luk and her close associates	Certain subsidiaries of AY Holdings as owned by the AY Trust	Family interests	Property investment
Ms. Fan Man Seung, Vanessa	Bacchus International Limited and its subsidiary	Director and shareholder	Property investment
Mr. Wong Chi Fai and his close associate	Wintex Services Limited	Substantial shareholder and Director	Property investment

No non-competition undertaking was given by the above Directors. The properties held by the Group are mainly for commercial purpose while those held by the above Directors and/or their close associate(s) are mainly for residential purpose.

8. DIRECTORS' INTERESTS IN ASSETS

As at the Latest Practicable Date, none of the Directors had any interest, direct or indirect, in any assets which have been, since 31 March 2016 (being the date to which the latest published audited financial statements of the Group were made up), acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

9. DIRECTOR'S INTERESTS IN CONTRACT OR ARRANGEMENT

As at the Latest Practicable Date, save as the contracts as stated in the Directors' Report of the latest Annual Report 2015/2016 of the Company and the subsequent announcements regarding continuing connected transactions, none of the Directors had any material interest in any contract or arrangement subsisting at the Latest Practicable Date which is significant in relation to the business of the Group.

10. EXPERTS AND CONSENTS

The following are the qualifications of the experts who had given opinion contained in this circular:

Name	Qualification
Cushman & Wakefield Debenham Tie Leung Limited ("**Cushman & Wakefield**")	An independent professional valuer
Deloitte Touche Tohmatsu ("**Deloitte**")	Certified public accountants

As at the Latest Practicable Date, none of Cushman & Wakefield and Deloitte had any shareholding in any member of the Enlarged Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Enlarged Group, nor did they have any interest, either direct or indirect, in any assets which had been since 31 March 2016 (being the date to which the latest published audited accounts of the Company were made up) acquired or disposed of by or leased to any member of the Enlarged Group, or were proposed to be acquired or disposed of by or leased to any member of the Enlarged Group.

Cushman & Wakefield and Deloitte have given and have not withdrawn their written consent to the issue of this circular with the respective reports, letters and references to their names in the form and context in which they are included.

11. GENERAL

(a) The address of the registered office of the Company is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda.

(b) The address of the principal office of the Company in Hong Kong is 28th Floor, Emperor Group Centre, 288 Hennessy Road, Wanchai, Hong Kong.

(c) Ms. Liu Chui Ying is the company secretary of the Company. She is a fellow member of both The Institute of Chartered Secretaries and Administrators in the United Kingdom and The Hong Kong Institute of Chartered Secretaries.

(d) The share registrar of the Company in Hong Kong is Tricor Secretaries Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong.

(e) In case of inconsistency, the English text of this circular shall prevail over the Chinese text.

12. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours at the principal place of business of the Company in Hong Kong at 28th Floor, Emperor Group Centre 288 Hennessy Road, Wanchai, Hong Kong from the date of the circular and up to and including 12 May 2017:

(a) this circular;

(b) the Memorandum of Association and Bye-Laws of the Company;

(c) the consolidated audited financial statements of the Group for the years ended 31 March 2015 and 31 March 2016 and the interim results announcement of the Company for the six months ended 30 September 2016;

(d) the Accountants' Report, the text of which is set out in Appendix IIA to this circular;

(e) the letter from Deloitte on the Unaudited Pro Formal Financial Information of the Enlarged Group, the text of which is set out in Appendix III to this circular;

(f) the letter and valuation certificate prepared by Cushman & Wakefield, the text of which is set out in Appendix IV to this circular;

(g) the letters of consents referred to under the section headed "Experts and Consents" in this appendix; and

(h) the material contracts referred under the section headed "Material Contracts" in this appendix.