

HKRI

香港興業國際集團有限公司
HKR International Limited



INTERIM REPORT
2017/18
中期報告

4th
anniversary

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BUSINESS AND FINANCIAL HIGHLIGHTS

BUSINESS HIGHLIGHTS

SIGNIFICANT EVENTS DURING AND AFTER THE PERIOD UNDER REVIEW

- May** – Completion of CDW Building refurbishment works
- Jun** – Announced the 2016/2017 final results
- Jul** – Obtained the occupation permits for 2GETHER
- Aug** – Disposal of the 22nd Floor, China Merchants Tower, Shun Tak Centre at a consideration of HK\$750 million. Completion will take place on or before 30 November 2017
- Sep** – Held the 2017 Annual General Meeting
- Oct** – Launched the sale of La Cresta, residential project in Sha Tin
– Full opening of 8^{1/2} Shopping Mall at CDW Building
- Early Nov** – Mr FAN Hung Ling was appointed as an Independent Non-executive Director
– Grand opening of HKRI Taikoo Hui in Shanghai

FINANCIAL HIGHLIGHTS

	Six months ended 30 September		Year ended 31 March
	2017	2016	2017
	HK\$'M	HK\$'M	HK\$'M
Results			
Turnover	882.8	1,072.5	2,234.1
Profit attributable to owners of the Company	762.7	607.8	823.9
Basic earnings per share (HK cents)	56.5	45.0	61.0

	30 September		31 March
	2017	2016	2017
	HK\$'M	HK\$'M	HK\$'M
Financial Position			
Total assets	31,184.8	28,271.8	29,630.6
Total liabilities	11,305.2	9,594.9	10,877.0
Equity attributable to owners of the Company	17,493.9	16,389.7	16,385.8
Net asset value per share (HK\$)	13.0	12.1	12.1

MANAGEMENT DISCUSSION AND ANALYSIS

The board of directors (the “Board” or the “Directors”) of HKR International Limited (the “Company”) is pleased to announce the results of the Company and its subsidiaries (the “Group”) for the six months ended 30 September 2017 (the “Period”).

INTERIM RESULTS

The Group’s unaudited turnover for the Period was HK\$882.8 million, as compared with HK\$1,072.5 million for the last corresponding period. Consolidated profit for the Period attributable to shareholders of the Company was HK\$762.7 million, representing an increase of 25.5%, as compared with HK\$607.8 million for the last corresponding period. Basic earnings per share amounted to HK56.5 cents, as compared with HK45.0 cents for the last corresponding period.

INTERIM DIVIDEND

The Board has declared the payment of an interim dividend of HK3 cents per share for the Period to its shareholders whose names will appear on the Registers of Members of the Company on 6 December 2017. The interim dividend will be paid on 20 December 2017. No interim dividend was paid by the Company to its shareholders for the last corresponding period.

CLOSURE OF REGISTERS OF MEMBERS

The main and branch registers of members of the Company will be closed on 5 and 6 December 2017 for the interim dividend. On both days, no transfer of shares will be registered. In order to qualify for the interim dividend, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company’s share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not later than 4:30 p.m. on 4 December 2017.

BUSINESS REVIEW

Unless otherwise stated, all projects and operations are 100% owned by the Group.

PROPERTY DEVELOPMENT AND PROPERTY INVESTMENT

Hong Kong

Discovery Bay

To further enhance facilities for residents, our subsidiary, Hong Kong Resort Company Limited, is upgrading the Discovery Bay bus terminus and extending the DB Plaza retail podium. Construction is scheduled for completion in 2019.

Meanwhile, there are a number of residential projects in the pipeline and we are in close liaison with the HKSAR Government about the new developments in Discovery Bay.

The Group holds a 50% interest in the Discovery Bay development.

La Cresta, Sha Tin

La Cresta, a 50:50 joint venture development between the Group and Nan Fung Development Limited, consists of three high-end residential towers and a number of villas with a total gross floor area (“GFA”) of approximately 12,500 square metres. A sale in the form of tender has been launched in October 2017.

The project will be completed in the financial year of 2017/2018.

2GETHER, Tuen Mun

This residential development project comprises a tower of premium apartments and a retail podium with a total GFA of approximately 12,300 square metres. The project was launched in October 2016, and nearly all residential units had been sold as at 30 September 2017. The project will be completed in the financial year of 2017/2018.

The Group owns a 75% interest in the development.

Kap Pin Long Project, Sai Kung

A modern luxury house, with a total GFA of approximately 350 square metres and spectacular sea view and a spacious garden, was completed.

MANAGEMENT DISCUSSION AND ANALYSIS

Tai Po Town Lots Nos. 223 and 229

In November 2016, the Group with a joint venture partner, Hysan Development Company Limited, at the ratio of 40:60 was awarded tenders for two government sites in Tai Po at the consideration of approximately HK\$3,400 million. The land will be developed into a luxurious low-density residential development, which will be completed in 2021.

DB Plaza and DB North Plaza, Discovery Bay

As at 30 September 2017, DB Plaza and DB North Plaza continued to generate a steady rental income and achieved a fairly high occupancy rate of 92% and 97% respectively.

The Group holds a 50% interest in both DB Plaza and DB North Plaza.

CDW Building, Tsuen Wan

The renovation and conversion of CDW Building (with 27 storeys and a total GFA of 90,600 square metres) from an industrial building to a commercial building was completed in May 2017. The current occupancy rate of the retail podium named 8½ and the office space on top was 55%.

West Gate Tower, Cheung Sha Wan

During the Period, West Gate Tower has achieved an average occupancy rate of 93% and generated a stable rental income for the Group.

Tuen Mun Central Square Public Car Park, Tuen Mun

The 325 parking spaces continued to generate satisfactory rental income.

Mainland China

HKRI Taikoo Hui, Shanghai

HKRI Taikoo Hui is one of Shanghai's most prestigious and sought-after commercial properties. The complex has a total GFA of approximately 322,000 square metres, including two premium Grade A office towers (HKRI Centres One and Two), two boutique hotels, a serviced apartment building and a high-end shopping mall with extensive parking facilities. The two office towers and shopping mall are home to many multinational and key domestic tenants. At the end of September 2017, the two office towers have reached 74% occupancy and the shopping mall has achieved a high occupancy rate of over 90%.

The Group has a 50% interest in HKRI Taikoo Hui.

City One, Jiaxing City, Zhejiang Province

City One comprises 577 apartment units and 20 villas, with a total GFA of approximately 83,000 square metres. As at 30 September 2017, 98% of units were sold.

Riviera One, Jiaxing City, Zhejiang Province

With a total GFA of approximately 102,000 square metres, Riviera One is a prime residential project adjacent to City One in Jiaxing City. This luxurious project, upon completion in late 2018, will provide approximately 700 low-rise and high-rise apartment units.

Oasis One, Hangzhou City, Zhejiang Province

Situated in Zhejiang Hangzhou Future Sci-Tech City, Oasis One, upon completion in late 2018, will provide 396 units of low-rise apartments and villas. A pre-sale of first-batch units has kick-started in March 2017, and over 92% of the launched units were sold as at 30 September 2017.

The Exchange, Tianjin

The Exchange is the Group's 15%-owned investment property in Tianjin and has a total GFA of over 152,000 square metres. During the Period, the two office towers and Hotel Nikko Tianjin maintained occupancy rates of 88% and 74% respectively and continued to generate stable rental income. The Exchange's mall, Heping Joy City - Tianjin, achieved an occupancy rate of over 87% and is a popular destination for young shoppers.

Elite House, Shanghai

This 30-storey residential building is located in Shanghai's Changning District, close to Zhongshan Park. It comprises 120 units and has a total GFA of approximately 21,700 square metres. The building has been recently upgraded for a strata title sale.

Thailand

The Sukhothai Residences, Bangkok

This luxury condominium tower, located on Sathorn Road, is a leader in Bangkok's high-end residential market and over 95% of its 196 units have been sold.

Wireless Road Project, Bangkok

The Group's freehold land on Bangkok's Wireless Road covers a site area of approximately 12,600 square metres. The Group holds a 49% interest in this project.

Rama 3 Road Project, Yannawa District, Bangkok

The project is located at Rama 3 Road by the Chaophraya River in the Bang Phongphang Subdistrict, which is part of Bangkok's Yannawa District, and will provide some 1,500 residential units. The design of the development is currently in progress and construction will start in 2018.

Japan

Proud Roppongi, Tokyo

The Group and Nomura Real Estate Development Co., Ltd. have jointly redeveloped Proud Roppongi, a premium residential project at Roppongi 4-chome in Tokyo. Nearly all 35 units were sold and handed over in October/November 2017. The Group holds a 51% interest in the project.

Niseko Project, Hokkaido

The Group holds residential plots at Niseko, located close to the Niseko Annupuri ski area in Hokkaido. The plots have a total site area of approximately 60,000 square metres and are presently held as land bank.

Investment Properties in Tokyo

In July 2017, the Group acquired a new investment property, Haluwa Shibakoen, a 15-storey residential building located in Minato-ku, Tokyo. The property achieved an occupancy rate of 98% as at 30 September 2017. The Group also owns four other properties in Tokyo: Horizon Place Akasaka, a high-rise residential block; Graphio Nishi-Shinjuku, a centrally-located office building; Souei Park Harajuku, an en-bloc residential apartment building in Shibuya; and Veneo Minami-Azabu, an en-bloc residential apartment building in Minato-ku. As at 30 September 2017, Horizon Place Akasaka achieved an occupancy rate of 96% while the other three properties all recorded 100% occupancy.

SERVICES PROVIDED

The four clubs in Discovery Bay - Discovery Bay Golf Club, Discovery Bay Marina Club, Discovery Bay Recreation Club and Club Siena are currently undergoing various upgrades to provide members and guests with enhanced facilities and services. The Group's subsidiaries operate various transportation services in Discovery Bay, including ferry, land transport and tunnel. Replacement of the single decker buses with a more environmental-friendly model in the bus fleet will be continued to improve the service quality of the land transport.

The Group's property management services in Discovery Bay, and elsewhere in Hong Kong, continued to operate at a normal pace during the Period.

The Group holds a 50% interest in Discovery Bay service providers.

MANAGEMENT DISCUSSION AND ANALYSIS

HOSPITALITY

Hong Kong

Auberge Discovery Bay Hong Kong

The market has remained competitive, especially after the opening of the new Disney Explorers Lodge. Nevertheless, Auberge Discovery Bay Hong Kong maintained an average occupancy rate of 78% throughout the Period. The hotel also received several honours from the travel and leisure industry, including the “Most Liked Fairytale Wedding” in the *Wedding Message* Most Liked Awards 2017.

The Group holds a 50% interest in Auberge Discovery Bay Hong Kong.

Thailand

The Sukhothai Bangkok

During the Period, the hotel's average occupancy was 58%, mainly due to the closure of the Terrace Wing, Health Club and swimming pool for renovation since May 2017. The hotel continued to reap awards from industry partners, including the 19th Bangkok's Best Restaurant Awards for Celadon, La Scala and Colonnade, and consistently earned the TripAdvisor “Certificate of Excellence”. Now a member of Design Hotels™, the hotel will further leverage this brand in its global marketing initiatives.

HEALTHCARE

GenRx Holdings Limited (“GenRx”), the Group's wholly-owned subsidiary, operates a comprehensive healthcare service network. With the motto of providing general public with “Longer Happier Lives”, GenRx established chronic disease management centres (Qualigenics Medical), Chinese medicine centres (Discovery TCM Centre), dental clinics (Health & Care Dental Clinic), a centre for diagnosis and treatment of cancer (AmMed Cancer Center), and multi-specialty outpatient centres (Healthway Medical) across Hong Kong, Macau and Manila.

With the exception of dental clinics which involve third-party interests of 43%, businesses under the GenRx umbrella are wholly-owned by the Group.

HUMAN RESOURCES

As at 30 September 2017, the Group had a total of 2,436 employees in Hong Kong and overseas. The Group understands the importance of providing employees with a supportive and positive working environment and has been continuously reviewing the human resources policies and staff benefits of the Group. To maintain our competitive edge in the human capital market, the Group made enhancements to the paternity leave, maternity leave, early release practice and other benefits for family members etc.

The Group continues to provide learning and development opportunities to colleagues to support business needs.

INFORMATION TECHNOLOGY

The Group continued to invest in advanced IT platforms to improve efficiency and information visibility. A new cloud-based Leasing Management System was implemented to improve leasing administration and portfolio management.

OUTLOOK

Global market conditions continue to be challenging on several fronts, with the macroeconomic environment remaining unstable. The US Federal Reserve recently announced its plan to reduce the balance sheet, while the UK struggles on with its Brexit negotiations. These and other still developing geopolitical factors will continue to impact capital flows in the market.

However, recent economic news suggests that US economic growth will continue at a moderate pace with the Federal Reserve likely to raise interest rates gradually. Although it has raised the benchmark rate three times within the last few months, there is currently little incentive for Hong Kong banks to raise their prime rates. There is strong monetary liquidity and a fiercely competitive mortgage market.

Meanwhile, there is little noticeable impact from the latest property cooling measures by the HKSAR Government and the residential market has regained its momentum. The upward price cycle, though slowing down, is expected to sustain due to a robust demand.

In mainland China, economic growth is slackening off. The Central Government's policy to boost domestic demand while maintaining a stable property market is making headway. The flurry of new government curbs introduced so far this year have reigned in property prices to a more sustainable level. This will in turn benefit the property market as a whole.

The market is no doubt volatile and quite vulnerable. The Group will closely monitor related risks and developments in the market as they arise. However, we remain cautiously optimistic for future growth. We have a diversified business portfolio across a number of Asian markets, giving the Group a solid base to further grow its businesses.

Our property development business continued to perform well. Our latest residential projects in Hong Kong, 2GETHER and La Cresta, have received good response. Meanwhile, Riviera One in Jiaxing City is highly-anticipated by the market. We have a firm foothold and will continue our business strategy to seek new opportunities for further residential development in Hong Kong and mainland China.

In property investment, our flagship project in mainland China, HKRI Taikoo Hui, and the revitalised CDW Building in Hong Kong, celebrated their respective grand openings in the second half of 2017. We strive to offer a highly-curated lifestyle experience in these commercial complexes, allowing them to stand out from others. With that we have every confidence that they will continue to generate stable long term rental income for the Group in the future.

The hospitality business has remained stable, with Auberge Discovery Bay Hong Kong and The Sukhothai Bangkok continued to perform well. We anticipate the opening of our third hotel, The Sukhothai Shanghai, will take place in early 2018, further strengthening our Sukhothai brand.

2017 is a special year for the Group as we celebrate the 40th anniversary. The last 40 years have been a remarkable journey, which filled the Group with excitement and satisfaction. Looking ahead we will continue our business strategies leveraging our creativity and pursuit of excellence. The Group remains committed to taking a measured approach while looking for suitable opportunities and partners for projects with high development potential across all markets, and seeking the highest return possible for our shareholders.

FINANCIAL REVIEW

SHAREHOLDERS' FUNDS

As at 30 September 2017, the shareholders' funds of the Group increased by HK\$1,108.1 million to HK\$17,493.9 million (31 March 2017: HK\$16,385.8 million). The gross profit margin for the Group for the Period was 31.7% (for the year ended 31 March 2017: 30.8%).

MAJOR INVESTING ACTIVITIES

In August 2017, the Group entered into a provisional sale and purchase agreement to sell 22nd Floor of China Merchants Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong at a consideration of HK\$750.0 million in which the deposit of HK\$75.0 million was received in September 2017.

During the Period, the Group acquired a residential building in Japan at a consideration of HK\$243.4 million.

During the Period, a joint venture repaid a net shareholders' loan of HK\$636.1 million to the Group by using the proceeds of banking facilities granted to that joint venture. Further, the Group onlent a shareholder's loan of HK\$75.0 million to another joint venture as working capital.

MAJOR OPERATING ACTIVITIES

During the Period, sales proceeds from disposal of certain development properties in Hong Kong, Thailand, mainland China and Japan amounted to HK\$381.9 million, HK\$88.5 million, HK\$324.5 million and HK\$4.9 million respectively.

FINANCIAL LIQUIDITY

As at 30 September 2017, the Group had total cash and securities investment of HK\$2,753.8 million (31 March 2017: HK\$2,792.1 million) whilst total bank borrowings, bonds and other loans were HK\$7,493.7 million (31 March 2017: HK\$7,793.9 million).

MANAGEMENT DISCUSSION AND ANALYSIS

GEARING

The Group's gearing ratio was 28.4% (31 March 2017: 32.0%) as calculated by the Group's consolidated net borrowings to the shareholders' funds as at 30 September 2017.

BANKING FACILITIES AND OTHER LOANS

The Group closely monitors its liquidity requirements and arranges financing for its development projects and operations as and when appropriate.

As at 30 September 2017, the unutilised credit facilities were approximately HK\$6,720.4 million (31 March 2017: HK\$6,417.3 million).

The maturity profile of bank borrowings, bonds and other loans were 18.9% (31 March 2017: 20.1%) falling within one year, 8.3% (31 March 2017: 3.5%) falling between one and two years and 72.8% (31 March 2017: 76.4%) falling between two and five years as at 30 September 2017.

TREASURY POLICY

The Group has centralised treasury functions and adopted a conservative approach for its treasury management. With majority of assets and liabilities denominated in HK dollars and US dollars, the Group has limited exposure to foreign currencies. To manage foreign currency exposure in certain overseas investments, the Group maintains naturally hedged positions and will make any swap or future arrangements as appropriate. The Group's banking facilities are principally on floating rate basis and interest rate swaps will be employed to manage interest rate risk for its short to medium-term borrowings when appropriate and necessary.

It is the policy of the Group to restrict the use of financial derivatives for speculative purpose.

PLEDGE OF ASSETS

As at 30 September 2017, certain bank loans of the Group were secured by certain investment properties and properties held for sale at the total carrying value of HK\$656.0 million (31 March 2017: HK\$997.2 million).

In addition, the loans to a joint venture by the Group amounting to approximately HK\$721.2 million (31 March 2017: nil) were subordinated to banks to secure a banking facility granted to the joint venture for financing the development in Tai Po as at 30 September 2017.

CONTINGENT LIABILITIES

The Group had contingent liabilities relating to a corporate guarantee on the Group's proportionate share to the extent of HK\$127.8 million (31 March 2017: HK\$123.2 million) as at 30 September 2017 given to a bank in respect of a banking facility granted to an investee company. The Group's interest in such investee company is classified under other non-current assets.

Two subsidiaries of the Company provided guarantees amounting to HK\$43.8 million (31 March 2017: HK\$44.5 million) as at 30 September 2017 in respect of mortgage facilities granted to purchasers of the Group's properties.

In May 2017, the Company provided a corporate guarantee of proportionate share to banks for securing a banking facility granted to a joint venture to finance the development in Tai Po. The bank loan balance of proportionate share of 40% is HK\$666.1 million (31 March 2017: nil) as at 30 September 2017.

In addition, the Company provided a corporate guarantee of proportionate share amounting to HK\$50.1 million (31 March 2017: nil) as at 30 September 2017 in respect of a financial undertaking issued by a bank to the HKSAR Government regarding the completion of the project in Sha Tin of a joint venture.

Save as disclosed above, the Group did not have other significant contingent liabilities as at 30 September 2017.

DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 September 2017, the interests or short positions of the Directors and their respective associates in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") were as follows:

a) Long positions in the Company's shares of HK\$0.25 each

Name of Director	Capacity	Number of ordinary shares				Total	Approximate percentage of issued share capital
		Personal interests	Family interests	Corporate interests	Other interests		
Payson CHA	Beneficial owner, interests of a controlled corporation and beneficiary of discretionary trusts	3,113,113	-	16,867,074 ¹	618,895,387 ²	638,875,574	47.31
Victor CHA	Beneficial owner and beneficiary of discretionary trusts	1,140,253	-	-	629,498,383 ²	630,638,636	46.70
Johnson CHA	Beneficiary of discretionary trusts	-	-	-	628,200,885 ²	628,200,885	46.52
Madeline WONG	Founder and/or beneficiary of discretionary trusts	-	-	-	627,487,463 ^{3&4}	627,487,463	46.47
Ronald ARCULLI	Beneficiary of trust	241,472	-	-	-	241,472	0.02
Abraham CHUNG	Beneficial owner	315,084	-	-	-	315,084	0.02
Loretta HO	Beneficial owner	85,600	-	-	-	85,600	0.01
TANG Moon Wah	Beneficial owner	135,200	-	-	-	135,200	0.01

¹ The shares were held by Accomplished Investments Limited, a corporation 100% owned by Mr Payson CHA.

² The shares belonged to certain but not identical discretionary trusts of which CCM Trust (Cayman) Limited ("CCM Trust") and LBJ Regents Limited ("LBJ Regents") were the corporate trustees and the relevant Directors were among the members of the classes of discretionary beneficiaries.

³ 577,842,756 shares belonged to certain but not identical discretionary trusts of which CCM Trust and LBJ Regents were the corporate trustees and the Director was among the members of the classes of discretionary beneficiaries.

⁴ The Director was, under two separate discretionary trusts of which CCM Trust and LBJ Regents were the corporate trustees, the founder and member of the classes of discretionary beneficiaries thereof. Such trusts were deemed to be interested in 49,644,707 shares in aggregate.

b) Share options

Certain Directors have been granted share options of the Company, details of which are set out in the paragraph headed "Share Option Scheme" below.

Save as disclosed above and for certain Directors holding non-beneficial interests in the share capital of some of the subsidiaries of the Company as the nominee shareholders, as at 30 September 2017, none of the Directors or their respective associates had any interests or short positions in any shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of the SFO) as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code contained in the Listing Rules.

OTHER INFORMATION

SHARE OPTION SCHEME

The existing share option scheme of the Company was adopted on 8 September 2011 (the “2011 Scheme”) and the listing status of shares to be granted under the 2011 Scheme was granted by the Listing Committee of the Stock Exchange on 9 September 2011. Under the 2011 Scheme, options may be granted, inter alia, to the Directors, full-time employees and any consultants of the Company, its subsidiaries and/or its associated companies. The total number of shares of the Company available for grant of options under the 2011 Scheme is 135,027,436 shares which represents 10% of the issued share capital of the Company at the date of this interim report (i.e. 15 November 2017). No share option was granted, cancelled or lapsed in accordance with the terms of the 2011 Scheme during the six months ended 30 September 2017. Details of movements in the share options under the 2011 Scheme during the Period were as follows:

Name of participant	Date of grant	Exercisable price per share (HK\$)	Exercisable period ⁵	Number of share options		
				Balance as at 1 April 2017	Exercised during the Period	Balance as at 30 September 2017
Payson CHA	28 February 2017	4.23	28 February 2017 to 27 February 2027	2,900,000	-	2,900,000
Victor CHA	28 February 2017	4.23	28 February 2017 to 27 February 2027	2,900,000	-	2,900,000
Abraham CHUNG	28 February 2017	4.23	28 February 2017 to 27 February 2027	2,000,000	-	2,000,000
TANG Moon Wah	28 February 2017	4.23	28 February 2017 to 27 February 2027	2,000,000	-	2,000,000
Madeline WONG	28 February 2017	4.23	28 February 2017 to 27 February 2027	1,100,000	-	1,100,000
Johnson CHA	28 February 2017	4.23	28 February 2017 to 27 February 2027	1,100,000	-	1,100,000
Ronald ARCULLI	28 February 2017	4.23	28 February 2017 to 27 February 2027	1,100,000	-	1,100,000
Henry CHENG	28 February 2017	4.23	28 February 2017 to 27 February 2027	1,100,000	-	1,100,000
Loretta HO	28 February 2017	4.23	28 February 2017 to 27 February 2027	700,000	-	700,000
Linus CHEUNG	28 February 2017	4.23	28 February 2017 to 27 February 2027	500,000	-	500,000
TANG Kwai Chang	28 February 2017	4.23	28 February 2017 to 27 February 2027	200,000	-	200,000
Total				15,600,000	-	15,600,000

⁵ The share options have no vesting period.

SUBSTANTIAL SHAREHOLDERS

As at 30 September 2017, the following persons (other than the Directors) had interests or short positions in the shares and underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO:

Long positions in the Company's shares of HK\$0.25 each

Name of shareholder	Capacity	Number of ordinary shares	Approximate percentage of issued share capital
CCM Trust (Cayman) Limited	Corporate trustee	560,153,905 ⁶	41.48
LBJ Regents Limited	Corporate trustee	91,894,801 ⁷	6.81

⁶ 560,153,905 shares were held by CCM Trust as corporate trustee of certain but not identical discretionary trusts of which members of the classes of discretionary beneficiaries comprise the late Dr CHA Chi Ming's issue.

⁷ 91,894,801 shares were held by LBJ Regents as corporate trustee of certain but not identical discretionary trusts of which members of the classes of discretionary beneficiaries comprise the late Dr CHA Chi Ming's issue.

Save as disclosed above, as at 30 September 2017, no other interests or short positions in the shares or underlying shares of the Company were recorded in the register required to be kept by the Company under section 336 of the SFO.

DIRECTORS' RIGHT TO ACQUIRE SHARES OR DEBENTURES

There was no grant to, and no exercise by, the Directors of any share options of the Company during the Period.

Save as disclosed under the heading "Share Option Scheme" above, at no time during the Period was the Company or any of its subsidiaries a party to any arrangement to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

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

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

CORPORATE GOVERNANCE

During the Period, the Company has fully complied with the code provisions of the Corporate Governance Code as set out in Appendix 14 to the Listing Rules save for a deviation of E.1.2 (Chairman of the Board's attendance of the annual general meeting). Due to other business engagements, Mr Payson CHA, the Chairman of the Board could not attend the annual general meeting of the Company held on 4 September 2017 (the "AGM") and Mr Victor CHA, the Deputy Chairman of the Board and Managing Director of the Company (and Member of the Remuneration Committee) chaired the AGM. All other Executive Directors and Mr TANG Kwai Chang (Independent Non-executive Director, Chairman of the Audit Committee and Member of Nomination Committee) were present at the AGM and available to answer questions.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code set out in Appendix 10 to the Listing Rules (including amendments as effective from time to time) as its own code of conduct to regulate securities transactions by Directors and specified employees who, by reference to their positions and duties, are likely to be in possession of inside information of the Group. Having made specific enquiry of all Directors, the Directors have confirmed that they have complied with the required standards set out in the Model Code throughout the Period.

CHANGES IN THE INFORMATION OF DIRECTORS

On 1 November 2017, Mr FAN Hung Ling was appointed as an Independent Non-executive Director and Member of the Remuneration Committee of the Company. In addition, pursuant to Rule 13.51B(1) of Chapter 13 of the Listing Rules, the following Directors have changed their particulars after the date of the Company's 2016/2017 Annual Report as required to be disclosed:

Dr Henry CHENG was appointed as vice-chairman and non-executive director of i-Cable Communications Limited effective on 15 September 2017 and ceased to be the chairman and executive director of International Entertainment Corporation with effect from 10 June 2017. He was also awarded the Grand Bauhinia Medal by the HKSAR Government in October 2017.

Mr TANG Kwai Chang is an independent non-executive director of Foxconn Interconnect Technology Limited which carries on business in Hong Kong as FIT Hon Teng Limited and was listed on the main board of the Stock Exchange on 13 July 2017.

CONTINUING DISCLOSURE REQUIREMENTS UNDER RULE 13.21 OF CHAPTER 13 OF THE LISTING RULES

In accordance with the continuing obligations set out in Rule 13.21 of Chapter 13 of the Listing Rules, the following are the details of a loan agreement with covenants relating to specific performance on the controlling shareholder of the Company as at 30 September 2017 pursuant to Rule 13.18 thereof. There exists no reporting obligation by the Company under Rules 13.17 and 13.19 of the Listing Rules accordingly.

The Company is the borrower of a loan agreement entered into on 8 September 2015 (the "Loan Agreement") for a transferable term loan and revolving credit facility in an aggregate principal amount of HK\$8.0 billion with final maturity date falling five years from the date of the Loan Agreement.

OTHER INFORMATION

Under the Loan Agreement, among others, an event of default is triggered when the existing individual shareholder of the Company (together with his associate(s)) holding the single largest shareholding (direct or indirect) in the Company on the date of the Loan Agreement ceases to be the Company's single largest beneficial shareholder at any time during the term of the Loan Agreement.

As at the date of the Loan Agreement, Mr Payson CHA, the Chairman of the Company, who personally and together with his associates including a controlled corporation and certain companies acting as corporate trustees of certain discretionary family trusts of which Mr Payson CHA (to his knowledge) was among the discretionary beneficiaries, held direct and indirect an aggregate interest in 638,875,574 shares in the Company, representing approximately 47.31% of the issued share capital of the Company and he was treated the then individual beneficial shareholder holding the single largest shareholding in the Company under the Loan Agreement.

As at the date of this interim report, the shareholding in the Company held by Mr Payson CHA remains unchanged and he is still treated as the single largest beneficial shareholder of the Company.

CONTINUING DISCLOSURE REQUIREMENTS UNDER RULES 13.20 AND 13.22 OF CHAPTER 13 OF THE LISTING RULES

In accordance with the requirements of Rules 13.20 and 13.22 of Chapter 13 of the Listing Rules, the following were the details of financial assistances and guarantees given for facilities granted to affiliated companies of the Company as at 30 September 2017 pursuant to Rules 13.13 and 13.16 thereof:

a) As at 26 May 2017, the Group committed to advance to Gainwick Limited ("Gainwick"), a joint venture formed by the Group (owned as to 40%) and Hysan Development Company Limited (owned as to 60%) for the purpose of a residential property development in Tai Po, New Territories, in a form of shareholders' loan in a total amount of HK\$1,437.2 million which is unsecured and no fixed terms of repayment (the "Shareholders' Loan", comprising loan for land premium amounted to HK\$1,357.2 million which is non-interest bearing and loan for working capital up to HK\$80.0 million with an interest rate of 2% per annum over 1-month Hong Kong Interbank Offered Rate ("HIBOR")). The Company also provides guarantee up to HK\$2,000.0 million in favour of a syndicate of financial institutions in Hong Kong as a security for Gainwick's obligation under the banking facilities granted to Gainwick by the financial institutions (the "Guarantee"). The interest rate for the banking facilities is a sum of HIBOR of 0.65% per annum and relevant interest period (one, two to three months or subject to availability six months at the selection of Gainwick and mutually agreed with the financial institutions). Further details of the repayment terms and security of the Guarantee are disclosed in the announcement of the Company published on 26 May 2017. As at 30 September 2017, the outstanding Shareholders' Loan amounted to HK\$721.2 million and the guarantee given in respect of the banking facilities granted to Gainwick amounted to HK\$666.1 million.

b) As at 30 September 2017, the Group advanced to Dazhongli Properties Limited and its subsidiaries ("Dazhongli group") an aggregate amount of HK\$4,885.0 million. Dazhongli group is engaged in the development of certain properties in Jing'an District, Shanghai, the PRC in which the Group has 50% interest. The advances were provided by the Group in the form of equity and loans in proportion to its shareholding interest therein, for the purpose of financing the development expenditure of Dazhongli group. Out of the advances, HK\$269.7 million are unsecured, interest bearing at 1.71% per annum and repayable in December 2019. The remaining of the advances are unsecured, non-interest bearing and have no fixed terms of repayment.

c) As at 30 September 2017, the Group also advanced to and guarantees given for other several affiliated companies an aggregate amount of HK\$2,090.4 million. The Group has interests ranging from 31% to 50% in these affiliated companies.

As at 30 September 2017, the aggregate amount of advances provided to and guarantees given for these affiliated companies by the Group amounted to HK\$8,362.7 million, representing 26.8% of the consolidated total assets of the Group of HK\$31,184.8 million as at 30 September 2017.

A pro forma combined statement of financial position of these affiliated companies and the Group's attributable interests in these affiliated companies as at 30 September 2017 were as follows:

	Pro forma combined statement of financial position HK\$M	The Group's attributable interest HK\$M
Non-current assets	22,959.5	11,479.1
Current assets	7,649.8	3,466.1
Current liabilities	(15,680.3)	(7,651.7)
Net current liabilities	(8,030.5)	(4,185.6)
Non-current liabilities	(13,198.9)	(6,069.8)
Shareholders' surplus	1,730.1	1,223.7

REVIEW OF INTERIM REPORT

The interim report of the Group for the Period has been reviewed by the Audit Committee of the Company and the Group's auditor, Messrs Deloitte Touche Tohmatsu.

On behalf of the Board
CHA Mou Sing Payson
Chairman

Hong Kong
15 November 2017

REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Deloitte.

德勤

TO THE BOARD OF DIRECTORS OF HKR INTERNATIONAL LIMITED

香港興業國際集團有限公司

(Incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the condensed consolidated financial statements of HKR International Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) set out on pages 15 to 32, which comprise the condensed consolidated statement of financial position as of 30 September 2017 and the related condensed consolidated statement of profit or loss, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended, and certain explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “Interim Financial Reporting” (“HKAS 34”) issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants. A review of these condensed consolidated financial statements consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with HKAS 34.

Deloitte Touche Tohmatsu

Certified Public Accountants

Hong Kong

15 November 2017

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2017

	NOTES	For the six months ended	
		2017	2016
		HK\$'M	HK\$'M
		(unaudited)	(unaudited)
Turnover	3	882.8	1,072.5
Cost of sales		(603.2)	(757.8)
Gross profit		279.6	314.7
Other income		60.4	67.8
Administrative expenses		(190.4)	(178.2)
Other gains and losses		33.0	13.6
Change in fair value of investment properties			
Realised gains on disposals		11.1	–
Unrealised gains		939.8	268.3
Finance costs	4	(98.9)	(94.2)
Share of results of joint ventures		(71.9)	344.4
Profit before taxation	5	962.7	736.4
Taxation	6	(119.8)	(44.6)
Profit for the period		842.9	691.8
Profit for the period attributable to:			
Owners of the Company		762.7	607.8
Non-controlling interests		80.2	84.0
		842.9	691.8
Earnings per share	8		
Basic (HK cents)		56.5	45.0
Diluted (HK cents)		56.5	N/A

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2017

	For the six months ended 30 September	
	2017 HK\$'M (unaudited)	2016 HK\$'M (unaudited)
Profit for the period	842.9	691.8
Other comprehensive income (expense):		
<i>Items that may be subsequently reclassified to profit or loss</i>		
Exchange differences arising from foreign joint ventures	249.9	(197.0)
Exchange differences arising from translation of other foreign operations	183.5	(71.3)
Available-for-sale financial assets:		
Fair value changes during the period	16.5	(5.2)
Reclassified to profit or loss upon disposal	(12.5)	(0.8)
Deferred tax arising from fair value changes	0.2	(0.1)
Other comprehensive income (expense) for the period (net of tax)	437.6	(274.4)
Total comprehensive income for the period	1,280.5	417.4
Total comprehensive income attributable to:		
Owners of the Company	1,200.3	333.4
Non-controlling interests	80.2	84.0
	1,280.5	417.4

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 SEPTEMBER 2017

	NOTES	30 September 2017 HK\$'M (unaudited)	31 March 2017 HK\$'M (audited)
Non-current assets			
Investment properties	9	10,066.9	8,688.3
Property, plant and equipment	10	2,230.0	2,181.9
Interests in associates		–	–
Interests in joint ventures	11	8,688.6	8,364.2
Held-to-maturity investments		98.8	107.6
Available-for-sale financial assets		90.9	87.9
Other assets		142.7	144.3
Deferred tax assets		3.4	3.1
		21,321.3	19,577.3
Current assets			
Inventories		47.2	47.6
Properties held for sale		1,130.5	1,161.9
Properties held for/under development for sale		5,352.7	4,755.5
Trade receivables	12	31.1	32.7
Deposits, prepayments and other financial assets		548.8	609.1
Amounts due from associates		8.2	8.1
Loan to a joint venture		–	665.3
Amounts due from joint ventures		173.1	166.6
Taxation recoverable		7.8	9.9
Held-to-maturity investments		43.6	48.3
Bank balances and cash		2,520.5	2,548.3
		9,863.5	10,053.3
Current liabilities			
Trade payables, provision and accrued charges	13	960.4	879.6
Deposits received and other financial liabilities	14	1,400.8	800.8
Taxation payable		84.8	75.9
Bank and other loans due within one year	15	1,418.3	1,564.4
Other liabilities due within one year	16	0.5	0.7
		3,864.8	3,321.4
Net current assets		5,998.7	6,731.9
Total assets less current liabilities		27,320.0	26,309.2
Non-current liabilities			
Bank and other loans due after one year	15	6,075.4	6,229.5
Other liabilities due after one year	16	1,025.6	1,051.6
Deferred tax liabilities		339.4	274.5
		7,440.4	7,555.6
		19,879.6	18,753.6
Capital and reserves			
Share capital		337.5	337.5
Reserves		17,156.4	16,048.3
Equity attributable to owners of the Company		17,493.9	16,385.8
Non-controlling interests		2,385.7	2,367.8
		19,879.6	18,753.6

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2017

	Attributable to owners of the Company										Total HK\$'M	
	Share capital HK\$'M	Accumulated profits HK\$'M	Investment property revaluation reserve HK\$'M (note a)	Share premium HK\$'M	Share options reserve HK\$'M	Asset revaluation reserve HK\$'M	Investment revaluation reserve HK\$'M	Exchange reserve HK\$'M	Capital redemption reserve HK\$'M (note b)	Sub-total HK\$'M		Non-controlling interests HK\$'M
At 1 April 2017 (audited)	337.5	9,180.4	5,043.6	1,537.9	13.6	15.8	27.7	226.2	3.1	16,365.8	2,367.8	18,753.6
Profit for the period	-	762.7	-	-	-	-	-	-	-	762.7	80.2	842.9
Exchange differences arising from foreign joint ventures	-	-	-	-	-	-	-	249.9	-	249.9	-	249.9
Exchange differences arising from translation of other foreign operations	-	-	-	-	-	-	-	183.5	-	183.5	-	183.5
Fair value changes on available-for-sale financial assets	-	-	-	-	-	-	16.5	-	-	16.5	-	16.5
Reclassified to profit or loss upon disposal of available-for-sale financial assets	-	-	-	-	-	-	(12.5)	-	-	(12.5)	-	(12.5)
Deferred tax arising from fair value changes on available-for-sale financial assets	-	-	-	-	-	-	0.2	-	-	0.2	-	0.2
Total comprehensive income for the period	-	762.7	-	-	-	-	4.2	433.4	-	1,200.3	80.2	1,280.5
Transfer to investment property revaluation reserve relating to unrealised net fair value gain during the period	-	(732.8)	732.8	-	-	-	-	-	-	-	-	-
Transfer from investment property revaluation reserve relating to net fair value gain realised during the period	-	3.3	(3.3)	-	-	-	-	-	-	-	-	-
Acquisition of additional interest in a subsidiary	-	2.3	-	-	-	-	-	-	-	2.3	(2.3)	-
Dividend paid	-	(94.5)	-	-	-	-	-	-	-	(94.5)	-	(94.5)
Dividend paid to a non-controlling shareholder	-	-	-	-	-	-	-	-	-	-	(60.0)	(60.0)
At 30 September 2017 (unaudited)	337.5	9,121.4	5,773.1	1,537.9	13.6	15.8	31.9	659.6	3.1	17,493.9	2,385.7	19,879.6

	Attributable to owners of the Company								Total HK\$'M		
	Share capital HK\$'M	Accumulated profits HK\$'M	Investment property revaluation reserve HK\$'M (note a)	Share premium HK\$'M	Asset revaluation reserve HK\$'M	Investment revaluation reserve HK\$'M	Exchange reserve HK\$'M	Capital redemption reserve HK\$'M (note b)		Sub-total HK\$'M	Non- controlling interests HK\$'M
At 1 April 2016 (audited)	337.5	9,302.9	4,097.2	1,537.9	15.8	29.8	732.1	3.1	16,056.3	2,203.2	18,259.5
Profit for the period	-	607.8	-	-	-	-	-	-	607.8	84.0	691.8
Exchange differences arising from foreign joint ventures	-	-	-	-	-	-	(197.0)	-	(197.0)	-	(197.0)
Exchange differences arising from translation of other foreign operations	-	-	-	-	-	-	(71.3)	-	(71.3)	-	(71.3)
Fair value changes on available-for-sale financial assets	-	-	-	-	-	(5.2)	-	-	(5.2)	-	(5.2)
Reclassified to profit or loss upon disposal of available-for-sale financial assets	-	-	-	-	-	(0.8)	-	-	(0.8)	-	(0.8)
Deferred tax arising from fair value changes on available-for-sale financial assets	-	-	-	-	-	(0.1)	-	-	(0.1)	-	(0.1)
Total comprehensive income (expense) for the period	-	607.8	-	-	-	(6.1)	(268.3)	-	333.4	84.0	417.4
Transfer to investment property revaluation reserve relating to unrealised net fair value gain during the period	-	(638.1)	638.1	-	-	-	-	-	-	-	-
At 30 September 2016 (unaudited)	337.5	9,272.6	4,735.3	1,537.9	15.8	23.7	463.8	3.1	16,389.7	2,287.2	18,676.9

Notes:

(a) Investment property revaluation reserve represents the Group's accumulated post-tax unrealised net fair value gain on the investment properties of the subsidiaries, joint ventures and associates recognised in profit or loss, and then transferred from accumulated profits to investment property revaluation reserve. Upon disposal of the relevant investment property, the relevant unrealised net fair value gain will be transferred to accumulated profits.

(b) Capital redemption reserve is the amount equivalent to the nominal value of the shares cancelled upon repurchase of the Company's shares which was transferred from accumulated profits. The reserve may be applied by the Company in paying up its unissued shares to be allotted to members of the Company as fully paid bonus shares in accordance with the articles of association of the Company and the Companies Law of the Cayman Islands.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2017

	For the six months ended	
	2017	2016
	HK\$'M	HK\$'M
	(unaudited)	(unaudited)
Net cash generated from (used in) operating activities	188.1	(24.6)
Net cash generated from (used in) investing activities		
Repayment of loan to a joint venture	665.3	–
Proceeds from disposal of investment properties	24.4	–
Redemption of held-to-maturity investments	33.5	34.3
Proceeds from disposal of property, plant and equipment	6.9	15.2
Repayment of loans to associates	–	10.8
Additions of investment properties	(279.5)	(167.8)
Additions of property, plant and equipment	(111.9)	(72.3)
Loans to joint ventures	(104.2)	(135.0)
Other investing cash flows	83.5	22.5
	318.0	(292.3)
Net cash used in financing activities		
New bank and other loans raised	490.5	400.0
Advance from a non-controlling shareholder	–	15.0
Repayment of bank and other loans	(781.7)	(401.8)
Dividend paid	(94.5)	–
Dividend paid to a non-controlling shareholder	(60.0)	–
Repayment to non-controlling shareholder	(27.1)	–
Other financing cash flows	(102.0)	(93.4)
	(574.8)	(80.2)
Net decrease in cash and cash equivalents	(68.7)	(397.1)
Cash and cash equivalents at beginning of the period	2,548.3	4,718.0
Effect of foreign exchange rate changes	40.9	(73.3)
Cash and cash equivalents at end of the period	2,520.5	4,247.6
Analysis of the balances of cash and cash equivalents:		
Bank balances and cash	2,520.5	4,247.6

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2017

1. BASIS OF PREPARATION

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

2. PRINCIPAL ACCOUNTING POLICIES

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

The accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 September 2017 are the same as those followed in the preparation of the Group’s annual financial statements for the year ended 31 March 2017. In addition, the Group has applied the following accounting policy during the current interim period which became relevant to the Group.

CHANGES IN THE GROUP’S OWNERSHIP INTERESTS IN EXISTING SUBSIDIARIES

Changes in the Group’s ownership interests in existing subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group’s interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

In the current interim period, the Group has applied, for the first time, the following amendments to Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the HKICPA that are relevant for the preparation of the Group’s condensed consolidated financial statements:

Amendments to HKAS 7	Disclosure initiative
Amendments to HKAS 12	Recognition of deferred tax assets for unrealised losses
Amendments to HKFRSs	Amendments to HKFRS 12 included in annual improvements to HKFRS 2014 – 2016 cycle

The application of the above amendments to HKFRSs in the current interim period has had no material effect on the amounts reported and/or disclosures set out in these condensed consolidated financial statements.

AMENDMENTS TO HKAS 7 “DISCLOSURE INITIATIVE”

The amendments require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities including both changes arising from cash flows and non-cash changes.

Specifically, the amendments require the following changes in liabilities arising from financing activities to be disclosed: (a) changes from financing cash flows; (b) changes arising from obtaining or losing control of subsidiaries or other businesses; (c) the effect of changes in foreign exchange rates; (d) changes in fair values; and (e) other changes.

The application of the amendments will result in additional disclosures on the Group’s financing activities, specifically reconciliation between the opening and closing balances in the consolidated statement of financial position for liabilities arising from financing activities will be provided on application.

The adoption will result in relevant disclosures in the Group’s annual consolidated financial statements for the year ending 31 March 2018.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2017

3. SEGMENT INFORMATION

The Group is organised into five operating divisions: property development, property investment, services provided (clubs operation, transportation and professional property management services), hotel operations and healthcare (provision of medical and dental care services, comprising chronic disease management centres, Chinese medicine centres, dental clinics, a centre for diagnosis and treatment of cancer and multi-specialty outpatient centres). Each of the operating divisions represents an operating and reportable segment.

The following is an analysis of the Group's revenue and results by operating and reportable segments for the period under review:

	Property development HK\$'M	Property investment HK\$'M	Services provided HK\$'M	Hotel operations HK\$'M	Healthcare HK\$'M	Total HK\$'M
Six months ended 30 September 2017						
TURNOVER						
Segment revenue – sales to external customers derived by the Group, an associate and a joint venture	174.1	665.2	232.6	136.1	142.4	1,350.4
Excluding turnover of an associate and a joint venture	(0.1)	(467.5)	–	–	–	(467.6)
Consolidated turnover, as reported	174.0	197.7	232.6	136.1	142.4	882.8
RESULTS						
Segment results – total realised results of the Group, associates and joint ventures (note a)	(26.0)	152.3	32.4	(6.9)	0.1	151.9
Excluding realised results of associates and joint ventures not shared by the Group	8.8	(19.3)	–	–	–	(10.5)
Results attributable to the Group	(17.2)	133.0	32.4	(6.9)	0.1	141.4
Unallocated other income						27.5
Unallocated corporate expenses						(47.9)
Finance costs and corporate level exchange difference						(73.4)
Net unrealised gains on fair value change of investment properties (note b)						878.0
Net unrealised losses on fair value change of investment properties attributable to the Group's interest in a joint venture, net of deferred tax credit						(82.7)
Profit for the period						842.9
Non-controlling shareholders' share of profit for the period						(80.2)
Profit for the period attributable to owners of the Company						762.7

	Property development HK\$'M	Property investment HK\$'M	Services provided HK\$'M	Hotel operations HK\$'M	Healthcare HK\$'M	Total HK\$'M
Six months ended 30 September 2016						
TURNOVER						
Segment revenue – sales to external customers derived by the Group and an associate	398.1	161.3	230.8	143.1	139.3	1,072.6
Excluding turnover of an associate	(0.1)	–	–	–	–	(0.1)
Consolidated turnover, as reported	398.0	161.3	230.8	143.1	139.3	1,072.5
RESULTS						
Segment results – total realised results of the Group, associates and joint ventures (note a)	36.6	(15.1)	44.4	1.2	(4.1)	63.0
Excluding realised results of associates and joint ventures not shared by the Group	9.1	49.8	–	–	–	58.9
Results attributable to the Group	45.7	34.7	44.4	1.2	(4.1)	121.9
Unallocated other income						5.9
Unallocated corporate expenses						(38.5)
Finance costs and corporate level exchange difference						(65.3)
Net unrealised gains on fair value change of investment properties (note b)						264.7
Net unrealised gains on fair value change of investment properties attributable to the Group's interest in a joint venture, net of deferred tax						403.1
Profit for the period						691.8
Non-controlling shareholders' share of profit for the period						(84.0)
Profit for the period attributable to owners of the Company						607.8

Notes:

(a) The segment results of the Group include the entire results of associates and joint ventures, excluding the unrealised gains or losses on fair value change of investment properties net of deferred tax charge or credit arising from change in fair value.

(b) The net unrealised gains on fair value change of investment properties for the six months ended 30 September 2017 of HK\$878.0 million (six months ended 30 September 2016: HK\$264.7 million) represented the unrealised gain on fair value change of investment properties of HK\$939.8 million (six months ended 30 September 2016: HK\$268.3 million) net of deferred tax charge arising from change in fair value of HK\$61.8 million (six months ended 30 September 2016: HK\$3.6 million).

4. FINANCE COSTS

	For the six months ended 30 September	
	2017 HK\$'M	2016 HK\$'M
Interest on		
Bank and other loans	79.2	73.3
Advance from a non-controlling shareholder	4.0	4.3
	83.2	77.6
Less: Amounts included in the cost of properties under development for sale	(4.0)	(4.3)
	79.2	73.3
Bank and other loans arrangement fees	19.7	20.9
	98.9	94.2

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2017

5. PROFIT BEFORE TAXATION

	For the six months ended 30 September	
	2017 HK\$'M	2016 HK\$'M
Profit before taxation has been arrived at after (crediting) charging:		
Bank and other interest income	(23.8)	(33.9)
Gain on disposal of property, plant and equipment	(6.6)	(14.3)
Net exchange (gain) loss	(6.6)	1.2
Release of prepaid lease payments	–	0.1
Depreciation	76.2	73.9
Reversal of impairment loss recognised on held-to-maturity investments	(7.3)	–
Impairment loss recognised on trade receivables	–	0.3

6. TAXATION

	For the six months ended 30 September	
	2017 HK\$'M	2016 HK\$'M
The taxation charge comprises:		
Hong Kong Profits Tax calculated at 16.5% of the estimated assessable profit for the period	13.5	26.9
Overseas tax calculated at rates prevailing in respective jurisdictions	34.1	14.8
Land appreciation tax ("LAT")	10.5	–
	58.1	41.7
Deferred taxation for current period	61.7	2.9
	119.8	44.6

The LAT is levied at progressive rates on the appreciation of land value, being the proceeds of the sales of properties less the deductible expenditures, including the cost of land use rights and relevant property development expenditures.

7. DIVIDENDS

	For the six months ended 30 September	
	2017 HK\$'M	2016 HK\$'M
Final dividend paid for the financial year ended 31 March 2017 of HK7 cents per share (six months ended 30 September 2016: No final dividend was paid for the financial year ended 31 March 2016)	94.5	–

The directors of the Company declared an interim dividend of HK3 cents per share (six months ended 30 September 2016: nil) totalling not less than HK\$40.5 million for the six months ended 30 September 2017.

8. EARNINGS PER SHARE

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

	For the six months ended 30 September	
	2017	2016
	HK\$'M	HK\$'M
Earnings		
Earnings for the purposes of calculating basic and diluted earnings (six months ended 30 September 2016: basic earnings) per share (Profit for the period attributable to owners of the Company)	762.7	607.8
Number of shares		
Number of ordinary shares in issue during the period for the purpose of calculating basic earnings per share	1,350,274,367	1,350,274,367
Effect of dilutive potential ordinary share: Adjustment in relation to share options issued by the Company	691,429	
Number of ordinary shares in issue during the period for the purpose of calculating diluted earnings per share	1,350,965,796	

No diluted earnings per share had been presented for the six months ended 30 September 2016 because there were no potential ordinary shares outstanding during the period.

9. INVESTMENT PROPERTIES

	For the six months ended 30 September	
	2017	2016
	HK\$'M	HK\$'M
Fair value		
At beginning of the period	8,688.3	7,654.7
Currency realignment	(12.7)	77.0
Additions	464.8	167.8
Change in fair value recognised in profit or loss		
– Realised gains on disposals	11.1	–
– Unrealised gains	939.8	268.3
Disposals	(24.4)	–
At end of the period	10,066.9	8,167.8

The investment properties were revalued at 30 September 2017, giving rise to an unrealised fair value gain of HK\$939.8 million (six months ended 30 September 2016: HK\$268.3 million) which has been recognised in the condensed consolidated statement of profit or loss for the period.

The fair values of the Group's investment properties at 30 September 2017 and 31 March 2017 have been derived by the following independent firms of professional valuers with appropriate qualifications and recent experiences in the valuation of similar properties in the relevant locations. The fair value is determined by using (a) income capitalisation approach which is calculated by capitalising the rental income derived from the existing tenancies with due provision for any reversionary income potential or (b) direct comparison approach assuming sale of the property interest in the existing state by making reference to comparable sales transactions as available in the relevant market.

Name of valuer	Location of investment properties
DTZ Cushman & Wakefield Limited	Hong Kong and mainland China
Morii Appraisal & Investment Consulting Inc. (31 March 2017: Cushman & Wakefield K.K.)	Japan
N&A Appraisal Company Limited	Thailand

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2017

10. PROPERTY, PLANT AND EQUIPMENT

Details of movements of property, plant and equipment are set out below:

	For the six months ended 30 September	
	2017 HK\$'M	2016 HK\$'M
Net carrying value		
At beginning of the period	2,181.9	2,085.4
Currency realignment	12.7	5.6
Additions	111.9	72.3
Disposals	(0.3)	(0.9)
Depreciation	(76.2)	(73.9)
At end of the period	2,230.0	2,088.5

11. INTERESTS IN JOINT VENTURES

The interests in joint ventures include the Group's 50% equity interest in Dazhongli Properties Limited ("Dazhongli"). An analysis is as follows:

	30 September 2017 HK\$'M	31 March 2017 HK\$'M
Interests in:		
Dazhongli	6,552.7	6,352.7
Other joint ventures	2,135.9	2,011.5
	8,688.6	8,364.2

DAZHONGLI

Dazhongli and its subsidiaries ("Dazhongli group") are engaged in the development of investment properties and hotel properties in the Jing'an District of Shanghai in the People's Republic of China (the "PRC").

	30 September 2017 HK\$'M	31 March 2017 HK\$'M
Cost of unlisted shares	0.1	0.1
Cumulative exchange differences (note a)	404.9	154.4
Share of post-acquisition profits (note b)	1,435.8	1,499.3
	1,840.8	1,653.8
Loans to Dazhongli		
– Non-interest bearing (note c)	4,442.2	4,440.8
– Interest bearing (note d)	269.7	258.1
	6,552.7	6,352.7

Notes:

(a) These represent exchange realignment and exchange differences relating to translation of the loans advanced by the Group to Dazhongli, which are denominated in US dollars and HK dollars, that form part of net investment in foreign operations.

(b) The decrease in share of post-acquisition profits of Dazhongli during the six months ended 30 September 2017 mainly arose from the Group's share of fair value loss on investment properties of Dazhongli.

(c) The loans to Dazhongli are unsecured, non-interest bearing and have no fixed terms of repayment. The Group has no intention to exercise its right to demand repayment of these loans within the next twelve months from the end of the reporting period. The directors of the Company believe the settlement of these loans is not likely to occur in the foreseeable future as they, in substance, form part of net investment in Dazhongli group as the proceeds of the loans have been substantially used by Dazhongli to inject as registered capital into its PRC subsidiaries. Accordingly, the amount is classified as non-current asset and included in the Group's interests in joint ventures for the purpose of presentation in the condensed consolidated statement of financial position.

(d) The loans to Dazhongli are unsecured, interest bearing at 1.71% (31 March 2017: 1.71%) per annum and repayable in December 2019. Accordingly, the amount is classified as non-current asset and included in the Group's interests in joint ventures for the purpose of presentation in the condensed consolidated statement of financial position.

The summarised consolidated financial information in respect of Dazhongli group as at 30 September 2017 and 31 March 2017 is set out below. The joint venture is accounted for using the equity method in these consolidated financial statements.

	30 September 2017 HK\$'M	31 March 2017 HK\$'M
Non-current assets		
Investment properties	21,394.2	20,541.4
Hotel properties under construction and equipment	1,300.7	1,052.5
Other non-current assets	217.9	151.6
	22,912.8	21,745.5
Current assets		
Bank balances and cash	682.6	811.3
Other current assets	509.4	231.2
	1,192.0	1,042.5
Current liabilities		
Loans from shareholders	8,884.5	8,881.5
Other current liabilities	1,916.1	1,812.2
	10,800.6	10,693.7
Net current liabilities	(9,608.6)	(9,651.2)
Total assets less current liabilities	13,304.2	12,094.3
Non-current liabilities		
Bank loans	7,838.9	7,077.0
Loans from shareholders	539.3	516.2
Deferred tax liabilities	1,244.4	1,193.5
	9,622.6	8,786.7
Net assets	3,681.6	3,307.6
Group's share of net assets	1,840.8	1,653.8

Note: The investment properties were measured at 30 September 2017 at fair value of HK\$21,394.2 million (equivalent to RMB18,177.8 million) (31 March 2017: HK\$20,541.4 million (equivalent to RMB18,236.4 million)) which was based on the valuation conducted by DTZ Cushman & Wakefield Limited, who have appropriate qualification and recent experiences in the valuation of similar properties in the relevant locations. The valuation was derived from residual method based on capitalising the net earnings that would be generated from the investment properties in their completed form, and has taken into account the developer's profit and construction costs already incurred as well as the estimate costs to be incurred to complete the properties. The fair value measurement of investment property is valued under Level 3 fair value measurement, which is measured based on the significant unobservable inputs including the estimated market rent, capitalisation rate and developer's profit. The increase in the balance of investment properties for the six months ended 30 September 2017 as stated above was due to the additions to investment properties and setting off by the fair value loss of HK\$220.6 million (six months ended 30 September 2016: fair value gain of HK\$1,074.8 million). The attributable deferred tax credit in respect of the fair value loss was HK\$55.1 million (six months ended 30 September 2016: deferred tax charge of HK\$268.7 million). Thus the net fair value loss after tax amounted to HK\$165.5 million (six months ended 30 September 2016: net fair value gain of HK\$806.1 million) of which the Group's 50% share of loss was HK\$82.7 million (six months ended 30 September 2016: gain of HK\$403.1 million). The investment properties are held within a business model of the joint venture whose business objective is to consume substantively all of the economic benefits embodied in the investment properties over time, rather than through sale.

The capital commitments of Dazhongli group at 30 September 2017 and 31 March 2017 are as follows:

	30 September 2017 HK\$'M	31 March 2017 HK\$'M
Contracted but not provided for	502.4	565.2

The capital commitments of Dazhongli group attributable to the Group represents 50% of the amounts stated above, will be financed by shareholders' loan or direct borrowings of Dazhongli group.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2017

12. TRADE RECEIVABLES

The credit periods allowed by the Group to its customers are dependent on the general practices in the industries concerned. For property sales, sales terms vary for each property project and are determined with reference to the prevailing market conditions. Property rentals are receivable in advance. Payments for healthcare, clubs and hotel services are receivable on demand.

The following is an aged analysis of trade receivables presented based on the payment due date at the end of the reporting period:

	30 September 2017 HK\$'M	31 March 2017 HK\$'M
Not yet due	9.1	9.5
Overdue:		
0 – 60 days	18.5	18.9
61 – 90 days	1.3	2.0
Over 90 days	2.2	2.3
	31.1	32.7

13. TRADE PAYABLES, PROVISION AND ACCRUED CHARGES

At 30 September 2017, included in trade payables, provision and accrued charges were trade payables of HK\$151.1 million (31 March 2017: HK\$251.5 million), an aged analysis presented based on the payment due date at the end of the reporting period is as follows:

	30 September 2017 HK\$'M	31 March 2017 HK\$'M
Not yet due	98.7	129.3
Overdue:		
0 – 60 days	36.3	92.0
61 – 90 days	0.7	0.8
Over 90 days	15.4	29.4
	151.1	251.5

The trade payables, provision and accrued charges included (a) construction cost accruals of HK\$294.3 million (31 March 2017: HK\$107.4 million); and (b) provisions for certain construction obligations of HK\$328.5 million (31 March 2017: HK\$328.5 million). In the course of the property development activities, the Group is obliged to construct certain common or public facilities within the development projects in accordance with the development plans approved by the relevant authorities. Provision for such construction costs has been made when a reliable estimate can be made of the amount of this obligation.

14. DEPOSITS RECEIVED AND OTHER FINANCIAL LIABILITIES

Included in deposits received and other financial liabilities were property sales deposits of HK\$1,145.9 million (31 March 2017: HK\$637.3 million) and deposits received in relation to disposal of certain properties, plant and equipment of HK\$75.0 million (31 March 2017: nil), which were not yet available for immediate sale in their present conditions as at 30 September 2017.

15. BANK AND OTHER LOANS

	30 September 2017 HK\$'M	31 March 2017 HK\$'M
Bank loans (note a)	6,539.1	6,837.4
Bonds and notes (note b)	954.6	956.5
	7,493.7	7,793.9
Less: Amount included under current liabilities (including bank loans with a repayable on demand clause)	(1,418.3)	(1,564.4)
Amount included under non-current liabilities	6,075.4	6,229.5
Bank and other loans are repayable:		
On demand or within one year	1,418.3	1,564.4
Between one and two years	620.8	273.0
Between two and five years	5,454.6	5,956.5
	7,493.7	7,793.9
Secured	469.8	459.6
Unsecured	7,023.9	7,334.3
	7,493.7	7,793.9
Bank loans that contain a repayable on demand clause (shown under current liabilities) and the scheduled payment is (note c):		
Between one and two years	501.1	–
Between two and five years	–	833.3
	501.1	833.3

Notes:

(a) As at 30 September 2017, the Group's bank loans carry interest at an average margin of 1.24% (31 March 2017: 1.22%) plus Hong Kong Interbank Offered Rate, other relevant interbank offered rates or other benchmark interest rates per annum.

(b) On 2 April 2013, the Company issued principal amount of HK\$560.0 million 7-year unlisted notes at a coupon rate of 4.5% per annum. Subsequently on 10 April 2013, the Company established a US\$1.0 billion Medium Term Note Programme ("MTN Programme"). In May 2013, a total principal amount of HK\$238.0 million 7-year unlisted notes at a coupon rate of 4.3% per annum was issued under the MTN Programme. Furthermore, included in bonds and notes as at 30 September 2017 an outstanding bond with principal amount of HK\$158.7 million (31 March 2017: HK\$161.0 million) carried interest at a margin of 0.4% (31 March 2017: 0.4%) plus the relevant interbank offered rates per annum.

(c) The amounts due are based on scheduled payment dates set out in the respective loan agreements.

16. OTHER LIABILITIES

	30 September 2017 HK\$'M	31 March 2017 HK\$'M
Advance from a non-controlling shareholder	170.8	196.8
Club debentures	855.3	855.5
	1,026.1	1,052.3
Less: Amount due within one year included under current liabilities	(0.5)	(0.7)
Amount due after one year	1,025.6	1,051.6

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2017

17. CONTINGENT LIABILITIES

	30 September 2017 HK\$'M	31 March 2017 HK\$'M
Guarantee given, to the extent of the Group's proportionate share, in respect of a banking facility granted to an investee company (note a)	127.8	123.2
Guarantee given, to the extent of the Group's proportionate share, in respect of a banking facility granted to a joint venture for the development of a project (note a)	666.1	–
Guarantee given, to the extent of the Group's proportionate share, in respect of a financial undertaking issued by a bank to the HKSAR Government regarding the completion of a project of a joint venture (note a)	50.1	–
Guarantees given by subsidiaries in respect of mortgage facilities granted to purchasers of the Group's properties (note b)	43.8	44.5

Notes:

(a) No provision for financial guarantee contracts has been recognised in the condensed consolidated financial statements as, in the opinion of the directors of the Company, the fair value of the financial guarantee on initial recognition and the amount of provision to be recognised subsequently was insignificant.

(b) The guarantees are given to banks in respect of mortgage facilities granted by certain banks relating to the mortgage loans arranged for certain purchasers of the Group's properties. Such guarantees will be released by banks upon the earlier of issue of the relevant real estate ownership certificate to the purchasers or the banks have satisfied themselves to release the guarantees in certain circumstances. In the opinion of the directors of the Company, the possibility of default of the parties involved is remote and the fair values of these financial guarantee contracts are insignificant on initial recognition and therefore no provision for financial guarantee contracts has been made at the end of the reporting period.

18. COMMITMENTS

	30 September 2017 HK\$'M	31 March 2017 HK\$'M
Contracted but not provided for in the condensed consolidated financial statements:		
Expenditure in respect of properties held for/under development for sale	1,997.8	1,954.1
Capital expenditure in respect of investment properties and property, plant and equipment	104.8	297.6
Others	12.2	22.8
	2,114.8	2,274.5

The capital commitments in respect of the Group's interest in Dazhongli group are disclosed in Note 11.

19. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

FAIR VALUE OF THE GROUP'S FINANCIAL ASSETS THAT ARE MEASURED AT FAIR VALUE ON A RECURRING BASIS

Some of the Group's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) 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:

	Fair value as at 30 September 2017 HK\$'M	31 March 2017 HK\$'M	Fair value hierarchy (note a)
Financial assets			
Listed equity securities classified as available-for-sale financial assets in the condensed consolidated statement of financial position (note b)	46.4	50.0	Level 1
Unlisted equity securities classified as available-for-sale financial assets in the condensed consolidated statement of financial position (note c)	44.5	37.9	Level 3
	90.9	87.9	

Notes:

- (a) Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities; Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).
- (b) The fair values of all listed equity securities are determined by reference to the quoted market bid prices available on the relevant exchanges in active markets as at 30 September 2017 and 31 March 2017.
- (c) Unlisted equity securities represent investment in private equity funds which are measured using valuation techniques based on inputs that can be observed in the market in addition to unobservable inputs such as company specific financial information.

The Group uses the key inputs of market comparable companies and discounted cash flows, which include the valuation multiples and recent transaction price, to determine the fair value of the unlisted equity securities as at 30 September 2017 and 31 March 2017. The unobservable inputs are valuation multiples, discount for lack of marketability and discount rate. Valuation multiples include enterprise value divided by earnings before interest and taxes, and price-to-sales multiple. The higher the valuation multiples, the lower the discount for lack of marketability or the lower the discount rate, the higher the fair value.

No sensitivity analysis is disclosed for the impact of changes in the relevant unobservable data as the management considers that the exposure is insignificant to the Group.

There was no transfer among different levels of the fair value hierarchy in the current and prior periods.

Reconciliation of Level 3 fair value measurements of financial assets

	For the six months ended 30 September	
	2017 HK\$'M	2016 HK\$'M
At beginning of the period	37.9	50.5
Acquisition during the period	10.6	1.8
Total gain (loss)		
– in profit or loss	0.9	0.8
– in other comprehensive income	(0.9)	(5.5)
Proceeds from disposal	(4.0)	(3.3)
At end of the period	44.5	44.3

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2017

FAIR VALUE MEASUREMENTS AND VALUATION PROCESSES

The Group determines the appropriate valuation techniques and inputs for Level 3 fair value measurements.

In estimating the fair value of unlisted equity securities, the Group uses market-observable data to the extent it is available. The valuation is performed at the end of each reporting period. Where there is material change in the fair value of the assets, the cause of the fluctuations will be reported to the management of the Group.

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

20. RELATED PARTY TRANSACTIONS

During the period, other than balances with related parties as shown in the condensed consolidated statement of financial position, the Group had significant transactions with related parties as follows:

(a) Transactions with entities controlled (or jointly controlled as joint venture) by CCM Trust (Cayman) Limited ("CCM Trust") and certain discretionary trusts. Four (2016: Four) directors of the Company are among the discretionary beneficiaries of the above trusts at the end of the reporting period. The trusts have controlling beneficial interests in these entities and the Company:

	For the six months ended 30 September	
	2017	2016
	HK\$'M	HK\$'M
Transactions with the entities:		
Rental income received	3.0	3.0
Management service fee received	0.4	0.4
Other services provided	0.2	0.1

(b) Transactions with Hanison Construction Holdings Limited and its subsidiaries, in which CCM Trust and certain discretionary trusts have controlling beneficiary interests:

	For the six months ended 30 September	
	2017	2016
	HK\$'M	HK\$'M
Construction service fee	0.4	0.4
Renovation service fee	–	0.3

(c) Transactions with associates and joint ventures of the Group:

	For the six months ended 30 September	
	2017	2016
	HK\$'M	HK\$'M
Management fee and other operating service fees received from a joint venture	12.3	13.7
Interest income received from an associate	0.1	0.1
Interest income received from a joint venture	5.4	5.0

(d) Compensation of key management personnel:

The remuneration of key management personnel during the period amounted to HK\$11.8 million (six months ended 30 September 2016: HK\$9.8 million).

CORPORATE INFORMATION AND INVESTORS' CALENDAR

公司資料及投資者日誌

CHAIRMAN 主席

Mr CHA Mou Sing Payson
查懋聲先生

DEPUTY CHAIRMAN AND MANAGING DIRECTOR 副主席兼董事總經理

Mr CHA Mou Zing Victor
查懋成先生

EXECUTIVE DIRECTORS 執行董事

Mr CHUNG Sam Tin Abraham[#]
鍾心田先生[#]

Mr TANG Moon Wah
鄧滿華先生

[#] Also alternate to Mr CHA Mou Sing Payson
[#] 兼任查懋聲先生之候補董事

NON-EXECUTIVE DIRECTORS 非執行董事

The Honourable Ronald Joseph ARCULLI
夏佳理先生

Mr CHA Mou Daid Johnson
查懋德先生

Ms WONG CHA May Lung Madeline
王查美龍女士

INDEPENDENT NON- EXECUTIVE DIRECTORS 獨立非執行董事

Dr CHENG Kar Shun Henry
鄭家純博士

Mr CHEUNG Wing Lam Linus
張永霖先生

Mr FAN Hung Ling
范鴻齡先生

Ms HO Pak Ching Loretta
何柏貞女士

Mr TANG Kwai Chang
鄧貴彰先生

AUDIT COMMITTEE 審核委員會

Mr TANG Kwai Chang (*Chairman*)
鄧貴彰先生(主席)

Mr CHEUNG Wing Lam Linus
張永霖先生

Ms HO Pak Ching Loretta
何柏貞女士

REMUNERATION COMMITTEE 薪酬委員會

Dr CHENG Kar Shun Henry (*Chairman*)
鄭家純博士(主席)

Mr CHA Mou Zing Victor
查懋成先生

Mr CHEUNG Wing Lam Linus
張永霖先生

Mr FAN Hung Ling
范鴻齡先生

NOMINATION COMMITTEE 提名委員會

Mr CHA Mou Sing Payson (*Chairman*)
查懋聲先生(主席)

Ms HO Pak Ching Loretta
何柏貞女士

Mr TANG Kwai Chang
鄧貴彰先生

COMPANY SECRETARY 公司秘書

Ms LEUNG Wai Fan
梁慧芬女士

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INDEPENDENT AUDITOR 獨立核數師

Deloitte Touche Tohmatsu
德勤•關黃陳方會計師行

PRINCIPAL BANKERS 主要往來銀行

Bank of China (Hong Kong) Limited
中國銀行(香港)有限公司
Hang Seng Bank Limited
恒生銀行有限公司
The Hongkong and Shanghai Banking
Corporation Limited
香港上海滙豐銀行有限公司
Standard Chartered Bank (Hong Kong)
Limited
渣打銀行(香港)有限公司
The Bank of Tokyo-Mitsubishi UFJ, Ltd.

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HONG KONG LAWS 香港法律

Kao, Lee & Yip
高李葉律師行
Mayer Brown JSM
孖士打律師行
Reed Smith Richards Butler
禮德齊伯禮律師行

CAYMAN ISLANDS LAWS 開曼群島法律

Maples and Calder
邁普達律師事務所

SEHK STOCK NAME/CODE 聯交所股份名稱/代號

HKR Int'l 香港興業國際/00480

INVESTORS' CALENDAR 投資者日誌

2017/2018 INTERIM DIVIDEND 2017/2018年度中期股息

Closure of Registers 暫停股份登記

5 and 6 December 2017
2017年12月5日及6日

Payment Date 派發日期

20 December 2017
2017年12月20日

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