



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

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



UNLOCK THE FUTURE

INTERIM REPORT 2017/2018

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FINANCIAL SUMMARY

Six months ended 30 September			
	2017 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000	Changes
Total revenue	1,465,986	2,215,792	- 33.8%
– Investment properties for rental income	539,493	430,379	+ 25.4%
– Property development for sale	186,700	964,453	- 80.6%
– Hotel operations and related services	739,793	820,960	- 9.9%
Gross profit	1,061,583	1,505,035	- 29.5%
Fair value changes of investment properties	1,430,148	(777,182)	N/A
Profit/(loss) attributable to the owners of the Company			
– Underlying ¹	246,468	449,390	- 45.2%
– Reported	1,596,732	(392,886)	N/A
Basic earnings/(loss) per share	HK\$0.43	HK\$(0.11)	N/A
Interim dividend per share	HK\$0.047	HK\$0.045	+ 4.4%

¹ Excluding the effect of any fair value changes and write-downs net of deferred taxation

MANAGEMENT DISCUSSION AND ANALYSIS

Emperor International Holdings Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”), principally engages in property investments, property development and hospitality, owning properties with a total area of over 5 million square feet in Greater China and overseas. Under its tri-engine business model, the Group owns many investment properties in prime locations that generate stable recurrent income; runs many property development projects for earnings visibility; and develops hospitality services with strong recurrent cash flow.

FINANCIAL REVIEW

Overall Review

During the six months ended 30 September 2017 (the “Period”), the Group’s total revenue was HK\$1,466.0 million (2016: HK\$2,215.8 million). Rental income from the Group’s investment properties portfolio grew by 25.4% to HK\$539.5 million (2016: HK\$430.4 million), representing 36.8% (2016: 19.4%) of the total revenue. The increase in rental income was largely driven by an expanded portfolio of properties such as **Emperor Group Centre** in Beijing and **Amperсанд Building** in London. Revenue from the sales of development properties was HK\$186.7 million (2016: HK\$964.5 million), whilst the hospitality segment declined to HK\$739.8 million (2016: HK\$821.0 million), which accounted for 50.5% (2016: 37.1%) of the total revenue.

Gross profit was HK\$1,061.6 million (2016: HK\$1,505.0 million). A revaluation gain of investment properties was amounted to HK\$1,430.1 million (2016: a revaluation loss of HK\$777.2 million). The profit for the Period attributable to the owners of the Company was HK\$1,596.7 million (2016: loss for the period attributable to the owners of the Company of HK\$392.9 million).

Basic earnings per share was HK\$0.43 (2016: basic loss per share of HK\$0.11). The board of directors of the Company (the “Board” or “Directors”) declared payment of an interim dividend of HK\$0.047 (2016: HK\$0.045) per share.

Liquidity and Financial Resources

As at 30 September 2017, the Group’s net asset value and net asset value per share amounted to HK\$27,324.3 million (31 March 2017: HK\$25,546.5 million) and HK\$7.43 (31 March 2017: HK\$6.95) per share, respectively.

The Group had cash, bank balances and bank deposits amounting to HK\$4,454.0 million as at 30 September 2017 (31 March 2017: HK\$6,654.0 million). The total external borrowings (excluding payables) amounted to approximately HK\$25,708.2 million (31 March 2017: HK\$23,432.5 million) and the Group’s net gearing ratio was 35.4% (31 March 2017: 30.2%) (measured by net debts as a percentage to the total asset value of the Group).

MANAGEMENT DISCUSSION AND ANALYSIS

In addition to its share capital and reserves, the Group made use of cash flow generated from operations, bank borrowings, unsecured notes and unsecured loans from a related company to finance its operation. The Group's bank borrowings were denominated in Hong Kong dollars, Renminbi ("RMB") and Sterling Pounds, and their interest rates followed market rates. The unsecured notes were denominated in Hong Kong dollars and US dollars at fixed rates ranging from 4% to 5% per annum. The Group's bank balances and cash were also denominated in Hong Kong dollars, RMB, Macau Pataca ("MOP") and Sterling Pounds. The Group is exposed to certain foreign exchange risk caused by fluctuation in RMB exchange rate. The Group closely monitors its overall foreign exchange exposure by adopting appropriate measures to mitigate the currency risks such as the cross-currency rate swap contracts for the unsecured notes.

BUSINESS REVIEW

Investment Properties for Rental Income

The Group's investment property portfolio primarily focuses on quality street-level retail spaces and commercial buildings in prominent locations, not just in Greater China, but also in the United Kingdom. In recent years, the Group has significantly expanded its portfolio of properties and grown its footprint in Hong Kong, Beijing and London through developments and acquisitions. The Group also strives to enhance the proportion of retail and commercial buildings, on a whole block basis, among its existing property investment portfolio, aiming to diversify its rental income streams, and ensure the Group is in a more resilient position to withstand market volatility. As a result of the majority of its premises being in prime locations, the overall occupancy rate of the Group's investment properties was nearly 95% as at 30 September 2017.

Projects to be launched soon

- Macau

The construction of **Emperor Nam Van Centre**, a multi-storey premium retail complex on the Macau Peninsula, was completed during the Period. With a gross floor area of approximately 30,000 square feet, the retail complex will become a prime shopping locale with a blend of shopping and lifestyle offerings. Marketing activities and pre-leasing of the spaces were commenced during the Period. Some of the units have been handed over to tenants for their shop layout design and interior refurbishment work since November 2017.

MANAGEMENT DISCUSSION AND ANALYSIS

Existing Portfolio

– Mainland China

Located in Chang'an Avenue East, Beijing, **Emperor Group Centre** was completed during the Period. This is a 28-storey (excluding three-storey basement with parking facilities) Grade-A office tower and premier shopping mall with premium cinema, encompassing a gross floor area of approximately 1,062,000 square feet. As of 30 September 2017, more than 88% of office and retail space were committed by anchors and various tenants including financial asset management corporation, retail and commercial bank, luxury watch and jewellery retailers, high fashion designer brand, fitness centre, and several fine-dining and catering operators. During the Period, the Group hosted a series of marketing and communication events with prominent tenants, which gained offline and even online exposure through collaboration with Key-Opinion-Leaders and bloggers. The inauguration of **Emperor Group Centre**, which boasts a prominent location in China's capital city, marks a significant milestone for the Group in upscaling significant commercial projects in mainland China.

– Hong Kong – Retail Premises

The Group owns many premium investment properties, including street level retail space in Hong Kong's prime shopping districts. Key investment properties include the retail shops and shopping malls at **Nos. 8, 20, 22-24 and 50-56 Russell Street, No. 76 Percival Street** and **Nos. 474-476, 478-484, 507, 523 Lockhart Road** in Causeway Bay; **Nos. 4-8 Canton Road, Nos. 81, 83 Nathan Road, Nos. 35-37 Haiphong Road** and **Nos. 25-29 Hankow Road** in Tsim Sha Tsui; **The Pulse** in Repulse Bay; **Fitfort Shopping Arcade** in North Point; and **Level 3, New Town Mansion Shopping Arcade** in Tuen Mun. During the Period, the Group completed an acquisition of the **retail shops of Fairview Height**, Mid-levels, Hong Kong. Located in the traditional luxury residential area on Hong Kong Island, this property is surrounded by upscale residential properties in Mid-Levels, where its local retail market is supported by high income group.

MANAGEMENT DISCUSSION AND ANALYSIS

– Hong Kong – Office, Commercial & Industrial Complexes

In addition to the above-mentioned retail spaces, the Group's rental income from complexes mainly includes **Emperor Group Centre**, **China Huarong Tower** and **Nos. 75-85 Lockhart Road** in Wan Chai; **Wincome Centre** in Central; a complex at **Nos. 45-51 Kwok Shui Road** in Kwai Chung; **New Media Tower** in Kwun Tong; **Ulferts Centre** in Tuen Mun; and **commercial and car park complexes at Sui Wo Court** in Sha Tin.

The Group continually strives to upgrade the quality and maximise the potential rental income of its premises by undertaking various transformation and refurbishing programmes. In the redevelopment of **Nos. 75-85 Lockhart Road**, two adjacent buildings were demolished. It will be developed into a Japanese-Ginza style commercial and catering composite building with a gross floor area of approximately 96,000 square feet. The project is scheduled for completion in 2019. The redevelopment is set to reinvigorate the area, with a vibrant building in the heart of Wanchai – one of the core commercial districts on Hong Kong Island, and presents significant value-creation opportunities to the Group.

Located at **No. 4 Kin Fat Lane** in Tuen Mun, **Ulferts Centre** is currently a 14-storey industrial building for industrial purpose with a gross floor area of over 178,000 square feet. An application was submitted for the proposed wholesale conversion into a commercial building covering diversified purposes such as food and beverage, retail spaces and offices. This revitalisation project is in progress with target completion in 2019.

Mustard Seed, the Group's first co-working space, was introduced in **Emperor Group Centre**, Wanchai. Encompassing a gross floor area of approximately 5,000 square feet, **Mustard Seed** is designated to offer freelancers, innovators and entrepreneurs a convenient and affordable working space with a host of amenities. It serves as a platform for motivated professionals, especially in the arts and design industries, to network and collaborate with each other, creating a more productive and connected community of entrepreneurs.

MANAGEMENT DISCUSSION AND ANALYSIS

– London

The Group owns a 7-storey (including basement) retail and office complex at **Nos. 181-183 Oxford Street**, and a 8-storey (including basement) retail and office complex at **Nos. 25-27 Oxford Street**, in London. During the Period, the Group completed the acquisition of **Ampersand Building**, a composite building comprising retail spaces, office premises and leasehold apartments, at Nos. 111-125 Oxford Street, London. It is a freehold 8-storey (including basement) composite building with a total floor area of approximately 90,999 square feet. Located in the prime retail and vibrant SOHO office area of London's West End, it is also in close proximity to the Tottenham Court Road Crossrail development, thereby enjoying significant pedestrian traffic and enhanced accessibility. In line with the Group's strategic focus, this acquisition presents a rare opportunity to purchase a quality asset that will be attractive to retail and office tenants over the long term, on a whole block basis, on a prominent street in the world-renowned cosmopolitan city.

Property Development for Sale

The Group pursues a strategy of providing quality residential properties including luxury composite buildings in popular urban areas and low-rise detached houses in unique spots, with convenient access to transportation networks. A steady development pipeline is fixed for providing medium-term contributions to the sale of residential units for earnings visibility.

Projects to be launched soon

A residential site, at **Tuen Mun town Lot No. 436, Kwun Fat Street, Siu Lam**, Tuen Mun, with a gross floor area of approximately 39,000 square feet, was developed into 14 low-rise detached and semi-detached houses. The occupation permit was obtained in November 2016 and the completed units will be launched to the market in the first half of 2018.

The Amused, an urban redevelopment project to create a 26-storey composite residential/retail tower offering 136 units in **Sham Shui Po**, Kowloon, with a gross floor area of approximately 54,000 square feet, is in progress. During the Period, the pre-sale of its units was launched and received encouraging responses, with 96% of the total units pre-sold within one week. The contracted sales proceeds will be fully recognised in the financial year 2018/19, as the project is expected to be completed in mid-2018.

MANAGEMENT DISCUSSION AND ANALYSIS

Other future projects

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

In collaboration with two partners, a signature luxury residential project at **Rural Building Lot No. 1198, Shouson Hill**, Hong Kong, with a gross floor area of approximately 88,000 square feet, will be developed into 15 low-density luxury houses, with comprehensive auxiliary facilities. This development opportunity is especially precious as it is in a traditional luxury residential area. It is expected to be completed in late-2019. Another site, at **Nos. 8-10A Mosque Street, Mid-Levels**, will be redeveloped into a luxury residential tower with a gross floor area of approximately 34,000 square feet in 2019. This development is located in a popular residential area in close proximity to Central-Mid-Levels Escalator with convenient access to Central commercial district area, as well as a well sought-after school district. In line with our strategic focus on quality residential properties in Hong Kong Island and core strength on value creation exercises, these two projects will enable the Group to optimise the land bank portfolio, with better capital appreciation in future.

Hotel Operations and Related Services

Dedicated to the Group's ongoing efforts on developing hospitality services, **Emperor Hotels Group** has been established to cover several hotels and serviced apartments in Hong Kong and Macau. In Hong Kong, it covers **Emperor (Happy Valley) Hotel, Inn Hotel Hong Kong, MORI MORI Serviced Apartments**, and two new development projects in Wanchai and Happy Valley. In Macau, it covers **Grand Emperor Hotel** and **Inn Hotel Macau**, where income from hospitality and gaming has been consolidated with the Group.

MANAGEMENT DISCUSSION AND ANALYSIS

Projects to be launched soon

Located at **No. 373 Queen's Road East**, Wan Chai, the new hotel will commence operations in December 2017. With a gross floor area of approximately 115,000 square feet, this 29-storey hotel is named as **"The Emperor Hotel"**, offering 300 guest rooms together with leisure, dining and parking facilities. It is a signature hotel project under **Emperor Hotels Group**, which can further enhance brand recognition in the hospitality segment.

Meanwhile, construction work at **Nos. 17-19 Yik Yam Street**, Happy Valley, will be completed in the first quarter of 2018. It will be developed into a 21-storey (including 2-storey retail/commercial complex) serviced apartment block with 68 units. The area is vibrant, conveniently located near Hong Kong's commercial districts, and affords easy access to the Hong Kong Jockey Club and Hong Kong Stadium for international sports events, and Hong Kong Sanatorium & Hospital for medical check-ups, helping to ensure solid short-term leasing demand.

OUTLOOK

The Group adopts a pro-active approach to establishing an investment property portfolio that is resilient to unanticipated crises, by optimising the balance between retail and non-retail premises. Underpinned by positive consumption sentiment and gradual recoveries in Hong Kong's tourism and retail industries, leasing demand for retail premises is set to improve. Meanwhile, there is still robust demand from Chinese corporations for office premises in central business districts, as they are keen to expand their presence in Hong Kong. The Group will continue to source quality and upscale investment properties with good potential – not just in Hong Kong, but also in other areas of Greater China and in major cities worldwide, to enhance its investment property portfolio and lay a solid foundation for expanding recurrent rental income in the long-run. The Group expects that the contribution from new additions including **Emperor Group Centre** in Beijing, **Emperor Nam Van Centre** in Macau and **Ampersand Building** in London, will generate significant additional rental income in the financial year of 2017/18.

MANAGEMENT DISCUSSION AND ANALYSIS

The primary residential market in Hong Kong is being supported by strong end-user demand, as evidenced by overwhelming responses to the new launches by developers. It is anticipated that homebuyer confidence will be sustained on the back of a healthy labour market, rising incomes and a relatively low interest rate environment. Being an experienced property developer in Hong Kong, the Group will strive to deploy capital and strategic resources to capitalise value creation opportunities through residential redevelopment projects. The Group will closely monitor market developments and changes in governmental policies and, when necessary, will respond by adjusting its business strategies to deliver a solid operational performance.

A combination of Chinese consumers' rising confidence, their growing wealth and strengthening labour markets, has resulted in improving inbound tourism to Hong Kong. The Group is optimistic regarding prospects for growth prospects of the tourism and hospitality industry in Hong Kong. The undertaking of new hotel and serviced apartment projects is a solid testament to the Group's commitment to maintaining its position in the local hospitality sector.

EMPLOYEES AND REMUNERATION POLICY

During the Period, the total cost incurred for staff, including Directors' emoluments, was HK\$320.4 million (2016: HK\$315.2 million). The number of staff was 1,745 as at 30 September 2017 (2016: 1,753). Each employee's remuneration was determined in accordance with the individual's responsibility, competence and skills, experience and performance, as well as market pay levels. Staff benefits include medical and life insurance, retirement benefits and other competitive fringe benefits.

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

ASSETS PLEDGED

As at 30 September 2017, assets with carrying value of HK\$44,280.1 million (31 March 2017: HK\$41,129.6 million) were pledged as security for banking facilities.

MANAGEMENT DISCUSSION AND ANALYSIS

INTERIM DIVIDEND

The Board has declared an interim dividend of HK\$0.047 per share ("Interim Dividend") (2016: HK\$0.045 per share) amounting to approximately HK\$172.8 million (2016: HK\$165.5 million). The Interim Dividend will be payable on 21 December 2017 (Thursday) to shareholders whose names appear on the register of members of the Company on 15 December 2017 (Friday).

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed, for the purpose of determining shareholders' entitlement to the Interim Dividend, from 14 December 2017 (Thursday) to 15 December 2017 (Friday), during which period no transfer of shares will be registered.

In order to qualify for the Interim Dividend, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's Hong Kong Branch Share Registrar, Tricor Secretaries Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. on 13 December 2017 (Wednesday).

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 September 2017

Six months ended 30 September			
	Notes	2017 (unaudited) HK\$'000	2016 (unaudited) HK\$'000
Revenue		1,465,986	2,215,792
Cost of properties sales		(63,817)	(362,381)
Cost of hotel and hotel related operations		(304,052)	(316,928)
Direct operating expenses in respect of leasing of investment properties		(36,534)	(31,448)
Gross profit		1,061,583	1,505,035
Other income		44,300	44,238
Fair value changes of investment properties		1,430,148	(777,182)
Other gains and losses	4	70,911	(146,448)
Selling and marketing expenses		(188,841)	(356,948)
Administrative expenses		(259,001)	(215,399)
Share of result of a joint venture		(35)	(35)
Profit from operations	5	2,159,065	53,261
Finance costs		(290,587)	(204,831)
Profit (loss) before taxation		1,868,478	(151,570)
Taxation charge	6	(184,061)	(187,741)
Profit (loss) for the period		1,684,417	(339,311)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 September 2017

		Six months ended 30 September	
	Notes	2017 (unaudited) HK\$'000	2016 (unaudited) HK\$'000
Other comprehensive income (expense)			
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Revaluation surplus of prepaid lease payments and property, plant and equipment transferred to investment properties		–	30,500
Deferred tax on revaluation surplus of prepaid lease payments and property, plant and equipment transferred to investment properties		–	(3,660)
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of foreign subsidiaries		381,757	(125,825)
Other comprehensive income (expense) for the period		381,757	(98,985)
Total comprehensive income (expense) for the period		2,066,174	(438,296)
Profit (loss) for the period attributable to:			
Owners of the Company		1,596,732	(392,886)
Non-controlling interests		87,685	53,575
		1,684,417	(339,311)
Total comprehensive income (expense) for the period attributable to:			
Owners of the Company		1,978,489	(508,516)
Non-controlling interests		87,685	70,220
		2,066,174	(438,296)
Earnings (loss) per share	7		
Basic (HK\$)		0.43	(0.11)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2017

	Notes	At 30 September 2017 (unaudited) HK\$'000	At 31 March 2017 (audited) HK\$'000
Non-current assets			
Investment properties	9	47,477,791	40,808,858
Property, plant and equipment	9	3,582,419	3,572,531
Derivative financial instruments		4,389	–
Deposits paid for acquisition of investment properties/property, plant and equipment		76,076	603,034
Receivables related to a development project		174,768	167,262
Prepaid lease payments		538,335	547,255
Interest in a joint venture	10	636,720	630,187
Goodwill		56,683	56,683
Other assets		4,092	4,092
Pledged bank deposits		30,890	30,508
		52,582,163	46,420,410
Current assets			
Inventories		13,663	14,153
Properties held for sale	11	120,328	184,127
Properties under development for sale	9	1,856,848	1,719,141
Prepaid lease payments		17,832	17,832
Trade and other receivables	12	1,092,059	728,497
Taxation recoverable		20,898	43,307
Deposit in designated bank account for development properties		9,643	9,182
Pledged bank deposits		332	329
Short-term bank deposits		1,502,657	2,822
Bank balances and cash		2,920,163	6,620,318
		7,554,423	9,339,708

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2017

	Notes	At 30 September 2017 (unaudited) HK\$'000	At 31 March 2017 (audited) HK\$'000
Current liabilities			
Trade and other payables	13	1,314,539	1,221,694
Amount due to a related company		456,443	465,878
Amounts due to non-controlling interests of subsidiaries		112,800	120,800
Taxation payable		518,155	478,695
Unsecured notes – due within one year		400,000	1,645,919
Bank borrowings – due within one year		4,195,764	3,545,334
		6,997,701	7,478,320
Net current assets		556,722	1,861,388
Total assets less current liabilities		53,138,885	48,281,798
Non-current liabilities			
Amount due to a related company		2,833,851	1,522,755
Unsecured notes – due after one year		6,751,719	7,122,121
Bank borrowings – due after one year		10,957,632	9,009,674
Deferred taxation		2,107,729	1,911,415
		22,650,931	19,565,965
		30,487,954	28,715,833
Capital and reserves			
Share capital		36,775	36,775
Reserves		27,287,502	25,509,755
Equity attributable to owners of the Company		27,324,277	25,546,530
Non-controlling interests		3,163,677	3,169,303
		30,487,954	28,715,833

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2017

	Attributable to owners of the Company									
	Share capital HK\$'000	Share premium HK\$'000	Translation reserve HK\$'000	Asset revaluation reserve HK\$'000	Hedging reserve HK\$'000	Other reserve HK\$'000	Accumulated profits HK\$'000	Total HK\$'000	Non-controlling interests HK\$'000	Total HK\$'000
At 1 April 2017 (audited)	36,775	4,563,248	(138,678)	203,620	-	621,580	20,259,985	25,546,530	3,169,303	28,715,833
Profit for the period	-	-	-	-	-	-	1,596,732	1,596,732	87,685	1,684,417
Fair value gain on hedging instruments in cash flow hedges	-	-	-	-	4,389	-	-	4,389	-	4,389
Reclassification adjustments for net losses included in profit and loss	-	-	-	-	(4,389)	-	-	(4,389)	-	(4,389)
Exchange difference arising on translation of foreign subsidiaries	-	-	381,757	-	-	-	-	381,757	-	381,757
Total comprehensive income for the period	-	-	381,757	-	-	-	1,596,732	1,978,489	87,685	2,066,174
Deemed capital distribution arising from fair value adjustment on initial recognition on amount due to a related company	-	-	-	-	-	(8,756)	-	(8,756)	-	(8,756)
Acquisition of additional interest in subsidiaries	-	-	-	-	-	21,178	-	21,178	(66,928)	(45,750)
Depreciation attributable to revaluation surplus	-	-	-	(786)	-	-	920	134	-	134
Dividend paid to owners of the Company	-	-	-	-	-	-	(213,298)	(213,298)	-	(213,298)
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	(26,383)	(26,383)
At 30 September 2017 (unaudited)	36,775	4,563,248	243,079	202,834	-	634,002	21,644,339	27,324,277	3,163,677	30,487,954
At 1 April 2016 (audited)	36,775	4,563,248	125,245	194,997	-	689,697	17,142,750	22,752,712	2,981,823	25,734,535
(Loss) profit for the period	-	-	-	-	-	-	(392,886)	(392,886)	53,575	(339,311)
Revaluation surplus of prepaid lease payments and property, plant and equipment transferred to investment properties	-	-	-	11,585	-	-	-	11,585	18,915	30,500
Deferred tax on revaluation surplus of prepaid lease payments, and property, plant and equipment transferred to investment properties	-	-	-	(1,390)	-	-	-	(1,390)	(2,270)	(3,660)
Exchange difference arising on translation of foreign subsidiaries	-	-	(125,825)	-	-	-	-	(125,825)	-	(125,825)
Total comprehensive (expense) income for the period	-	-	(125,825)	10,195	-	-	(392,886)	(508,516)	70,220	(438,296)
Deemed capital distribution arising from fair value adjustment on initial recognition on amount due to a related company	-	-	-	-	-	(60,606)	-	(60,606)	-	(60,606)
Depreciation attributable to revaluation surplus	-	-	-	(786)	-	-	920	134	-	134
Dividend paid to owners of the Company	-	-	-	-	-	-	(202,265)	(202,265)	-	(202,265)
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	(24,852)	(24,852)
At 30 September 2016 (unaudited)	36,775	4,563,248	(580)	204,406	-	629,091	16,548,519	21,981,459	3,027,191	25,008,650

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2017

	Six months ended 30 September	
	2017 (unaudited) HK\$'000	2016 (unaudited) HK\$'000
Net cash from operating activities	341,996	1,244,355
Net cash (used in) from investing activities*	(5,678,812)	362,738
Net cash from (used in) financing activities	1,628,842	(818,854)
Net (decrease) increase in cash and cash equivalents	(3,707,974)	788,239
Effect of foreign exchange rate changes	7,819	(5,260)
Cash and cash equivalents at the beginning of the reporting period	6,620,318	3,108,291
Cash and cash equivalents at the end of the reporting period	2,920,163	3,891,270
* Net cash (used in) from investing activities representing:		
Acquisition of investment properties	(4,095,018)	(177,390)
(Increase) decrease in short-term bank deposits	(1,499,835)	39,031
(Increase) decrease in pledged bank deposits	(385)	655,314
Other cash flows used in investing activities	(83,574)	(154,217)
	(5,678,812)	362,738

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2017

1. BASIS OF PREPARATION

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

These condensed consolidated financial statements should be read in conjunction with the annual financial statements for the year ended 31 March 2017.

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

2. PRINCIPAL ACCOUNTING POLICIES

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

In the Period, the Group has applied, for the first time, the following amendments to Hong Kong Financial Reporting Standards (the "HKFRSs") issued by the HKICPA that are mandatorily effective for accounting periods beginning on or after 1 April 2017. Except as described below, the accounting policies used in the unaudited condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 March 2017.

Amendments to HKAS 7	Disclosure initiative
Amendments to HKAS 12	Recognition of deferred tax assets for unrealised losses
Amendments to HKFRS 12	As part of the annual improvements to HKFRSs 2014-2016 cycle

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

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2017

3. SEGMENT INFORMATION

For management purpose, the business segments of the Group are currently organised into lease of properties, properties development and hotel and hotel related operations. Segment results represent the profit earned by or loss suffered from each segment without allocation of central administration cost, interest income, finance costs, share of result of joint venture, fair value changes of investment properties and derivative financial instruments. These divisions are the basis on which the Group reports its primary segment information. The segment results of lease of properties and properties development include administrative and running expenses for those properties under development.

	Segment revenue Six months ended 30 September		Segment results Six months ended 30 September	
	2017 (unaudited) HK\$'000	2016 (unaudited) HK\$'000	2017 (unaudited) HK\$'000	2016 (unaudited) HK\$'000
Business segments				
Lease of properties	539,493	430,379	469,023	380,079
Properties development	186,700	964,453	130,771	447,166
Hotel and hotel related operations	739,793	820,960	149,678	145,040
	1,465,986	2,215,792	749,472	972,285
Interest income			27,076	25,605
Corporate expenses, net			(47,596)	(159,377)
Fair value changes of investment properties			1,430,148	(777,182)
Net loss on fair value changes in derivative financial instruments			–	(8,035)
Finance costs			(290,587)	(204,831)
Share of result of a joint venture			(35)	(35)
Profit (loss) before taxation			1,868,478	(151,570)
Taxation charge			(184,061)	(187,741)
Profit (loss) for the period			1,684,417	(339,311)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2017

4. OTHER GAINS AND LOSSES

	Six months ended 30 September	
	2017 (unaudited) HK\$'000	2016 (unaudited) HK\$'000
Net loss on fair value changes in derivative financial instruments	–	(8,035)
Net exchange gain (loss)	25,194	(125,413)
Loss arising from misappropriation of funds (<i>note a</i>)	–	(13,000)
Reversal of write-downs of properties under development for sale (<i>note b</i>)	45,717	–
	70,911	(146,448)

Notes:

- (a) During the six months ended 30 September 2016, the Group was aware that an ex-senior casino cashier of a subsidiary of the Company in Macau had embezzled some of the chips on hand ("Misappropriation of Funds") of the Group. The matter was reported to The Inspectorate of Macao Judiciary Police and the ex-senior casino cashier was arrested for criminal investigation. The court judgement was obtained and the person had pleaded guilty and is now in prison.

The loss arising from the Misappropriation of Funds amounting to HK\$13,000,000 was charged to the unaudited condensed consolidated statement of profit or loss in 2016.

- (b) During the Period, the Directors reviewed the recoverability of the properties under development for sale with reference to the current market environment and reversed the previously recognised write-downs of HK\$45,717,000.

5. PROFIT FROM OPERATIONS

Profit from operations for the Period has been arrived at after charging amortisation and depreciation of approximately HK\$95,823,000 (2016: HK\$102,674,000) in respect of the Group's property, plant and equipment.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2017

6. TAXATION CHARGE

	Six months ended 30 September	
	2017 (unaudited) HK\$'000	2016 (unaudited) HK\$'000
Tax charge comprises:		
Current tax		
Hong Kong Profits Tax	(32,679)	(98,453)
Macau Complementary Income Tax ("CT")	(21,337)	(21,780)
United Kingdom ("UK") Income Tax	(2,624)	–
	(56,640)	(120,233)
Deferred taxation	(127,421)	(67,508)
	(184,061)	(187,741)

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

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

UK Income Tax is calculated at the applicable rate of 20% of the estimated assessable profits for both periods.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2017

7. EARNINGS (LOSS) PER SHARE

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

Six months ended 30 September		
	2017 (unaudited) HK\$'000	2016 (unaudited) HK\$'000
Profit (loss)		
Profit (loss) for the period attributable to owners of the Company for the purpose of basic earnings (loss) per share	1,596,732	(392,886)

Six months ended 30 September		
	2017 (unaudited)	2016 (unaudited)
Number of shares		
Weighted average number of ordinary shares in issue for the purpose of basic earnings (loss) per share	3,677,545,667	3,677,545,667

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2017

8. DIVIDEND

Six months ended 30 September		
	2017 (unaudited) HK\$'000	2016 (unaudited) HK\$'000
Final dividend of HK\$0.058 per share for the year ended 31 March 2017 paid during the period (year ended 31 March 2016: HK\$0.055)	213,298	202,265

The Board has declared an interim dividend of HK\$0.047 (2016: HK\$0.045) per share amounting to approximately HK\$172,845,000 (2016: HK\$165,489,000).

9. ADDITIONS TO INVESTMENT PROPERTIES, PROPERTY, PLANT AND EQUIPMENT AND PROPERTIES UNDER DEVELOPMENT FOR SALE

Investment properties

All of the Group's property interests held under operating leases to earn rentals and/or for capital appreciation purposes are measured using the fair value model and are classified and accounted for as investment properties.

During the Period, the Group acquired investment properties for a cash consideration of HK\$4,095,018,000 (2016: HK\$177,390,000).

The fair values of the Group's investment properties at 30 September 2017 and 31 March 2017 have been arrived at on the basis of a valuation carried out on those date by Memfus Wong Surveyors Limited and Jones Lang LaSalle Corporate Appraisal and Advisory Limited, independent firms of qualified professional property valuers not connected with the Group, in accordance with the HKIS Valuation Standards (2012 Edition) issued by Hong Kong Institute of Surveyors and in accordance with IVS300-Valuation for Financial Reporting defined in the International Valuation Standards issued by the International Valuation Standard Committee.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2017

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

Investment properties (continued)

For completed investment properties, the valuations have been arrived at with reference to market evidence of recent transaction prices for similar properties and rental income using the applicable market yields for the respective locations and types of properties.

For investment properties under development, the valuations have been arrived at assuming that the investment properties will be completed in accordance with the development proposals and the relevant approvals for the proposals have been obtained. The valuations include key factors such as the market value of the completed investment properties, which are estimated with reference to recent sales evidence of similar properties in the nearest locality as available in the relevant market with adjustments made by the valuers to accounts for differences in the locations and other factors specific to determine the potential sales proceeds, and deducting the development costs and required profit margin from the investment properties which are derived from the interpretation of prevailing investor requirements or expectations at the valuation dates.

The resulting increase in fair value of investment properties of approximately HK\$1,430,148,000 (2016: decrease of approximately HK\$777,182,000) has been recognised directly in profit or loss for the Period.

Property, plant and equipment and properties under development for sale

During the Period, the Group acquired property, plant and equipment and properties under development for sale amounting to approximately HK\$83,585,000 and HK\$70,887,000 (2016: HK\$183,902,000 and HK\$120,560,000) respectively.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2017

10. INTEREST IN A JOINT VENTURE

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

As at 30 September 2017, the Group has given corporate guarantee of HK\$941,600,000 (31 March 2017: HK\$941,600,000) to a bank in respect of banking facilities granted to Talent Charm, of which HK\$568,000,000 (31 March 2017: HK\$556,000,000) has been utilised. In the opinion of the Directors, the fair value of the guarantee is not significant.

11. PROPERTIES HELD FOR SALE

The carrying amounts of properties held for sale comprise properties situated in:

	At 30 September 2017 (unaudited) HK\$'000	At 31 March 2017 (audited) HK\$'000
Hong Kong	119,862	183,679
The People's Republic of China	466	448
	120,328	184,127

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2017

12. TRADE AND OTHER RECEIVABLES

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

	At 30 September 2017 (unaudited) HK\$'000	At 31 March 2017 (audited) HK\$'000
0 – 30 days	122,476	138,483
31 – 90 days	2,067	4,545
91 – 180 days	1,784	3,293
Over 180 days	15,165	14,511
	141,492	160,832
Chips on hand	114,276	121,245
Other receivables	377,424	239,008
Deposits and prepayments	458,867	207,412
	1,092,059	728,497

Chips on hand represent chips issued by a gaming concessionaire in Macau which can be exchanged into their cash amounts.

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

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2017

12. TRADE AND OTHER RECEIVABLES (continued)

Included in other receivables are amounts due from related companies of HK\$30,651,000 (as at 31 March 2017: HK\$38,304,000). These related companies are indirectly controlled by Albert Yeung Holdings Limited ("AY Holdings"), being the ultimate holding company of the Company. The amounts are unsecured, interest-free and repayable within one year.

13. TRADE AND OTHER PAYABLES

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

	At 30 September 2017 (unaudited) HK\$'000	At 31 March 2017 (audited) HK\$'000
0 – 90 days	15,857	19,408
91 – 180 days	211	236
Over 180 days	44	16
	16,112	19,660
Construction payables and accruals	615,291	663,656
Other payables and accruals	351,473	269,718
Rental deposits received	288,687	268,660
Deposits received from sales of properties	42,976	–
	1,314,539	1,221,694

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2017

14. ACQUISITIONS

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

- (a) In June 2017, the Group acquired property interests of Ampersand Building, a composite building comprising retail spaces, office premises and leasehold apartments, at Nos. 111-125 Oxford Street, No. 178 Wardour Street and No. 15 Hollen Street, London, United Kingdom (W1F8ZZ) at a cash consideration of approximately GBP260,000,000, equivalent to approximately HK\$2,587,580,000.
- (b) In July 2017, the Group also acquired properties interests of 12 retail spaces located at G/F and LG/F, Fairview Height, No 1 Seymour Road, Mid-Levels, Hong Kong at a cash consideration of approximately HK\$515,000,000.

15. CAPITAL COMMITMENTS

	At 30 September 2017 (unaudited) HK\$'000	At 31 March 2017 (audited) HK\$'000
Contracted for but not provided in the condensed consolidated financial statements, net of deposits paid, in respect of:		
– investment properties	385,911	3,633,872
– property, plant and equipment	111,598	153,082
– properties under development for sale	469,624	289,111
	967,133	4,076,065

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2017

16. RELATED PARTY TRANSACTIONS

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

	Six months ended 30 September	
	2017 (unaudited) HK\$'000	2016 (unaudited) HK\$'000
Advertising and other expenses to related companies	81	—
Commission to Dr. Yeung Sau Shing, Albert ("Dr. Albert Yeung") in his capacity as a patron of the Group's VIP rooms	295	597
Financial services expenses to related companies	480	590
Hotel and restaurant income from related companies	22	51
Interest expenses to related companies	66,654	67,899
Interest income from a joint venture	6,570	6,402
Purchase of property, plant and equipment and merchandising goods from related companies	1,119	137
Rental income from related companies	98,595	105,110
Secretarial fee expenses to a related company	470	470
Share of administrative expenses by related companies	38,681	34,454

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2017

16. RELATED PARTY TRANSACTIONS (continued)

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

	Six months ended 30 September	
	2017 (unaudited) HK\$'000	2016 (unaudited) HK\$'000
Fees	705	705
Salaries and other short term benefit	6,165	5,814
	6,870	6,519

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

The Group had entered into an accommodation contract with Dr. Albert Yeung under which the Group provided Dr. Albert Yeung and his associates (including Ms. Luk Siu Man, Semon ("Ms. Semon Luk"), Chairperson and Non-executive Director of the Company and the spouse of Dr. Albert Yeung) the exclusive right to use and occupy a property of the Group as rent-free quarter (including related expenses in relation to the usage of the property) as his emolument for his services as a consultant of the Group. The market rental values and the related expenses of the quarter for the Period was approximately HK\$5,355,000 (2016: HK\$5,233,000).

- (d) Amounts due to related parties

	At 30 September 2017 (unaudited) HK\$'000	At 31 March 2017 (audited) HK\$'000
Amounts due to non-controlling interests of subsidiaries	112,800	120,800
Amount due to a related company	3,290,294	1,988,633

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2017

17. PLEDGE OF ASSETS

Certain assets of the Group were pledged to banks to secure banking facilities granted to the Group. The carrying values of these assets at the end of the reporting period were as follows:

	At 30 September 2017 (unaudited) HK\$'000	At 31 March 2017 (audited) HK\$'000
Bank deposits	30,890	30,508
Investment properties	39,063,107	36,050,933
Properties under development for sale	1,126,447	1,025,542
Buildings, including relevant leasehold land in Hong Kong	71,518	73,258
Hotel properties and hotel property under construction, including relevant leasehold land in Hong Kong	3,337,115	3,286,463
Prepaid lease payments	556,167	565,087
Others (<i>Note</i>)	94,809	97,828
	44,280,053	41,129,619

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

The Group also had a bank deposit of HK\$332,000 (as at 31 March 2017: HK\$329,000) pledged to a bank to secure for the use of ferry ticket equipment provided by a third party to the Group.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2017

18. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

The fair value of the Group's financial instruments are measured at the end of each reporting period on a recurring basis, categorised into the three level fair value hierarchy as defined in HKFRS 13, *Fair value measurement*. The level into which a fair value measurement is classified and determined with reference to the observable and significance of the inputs used in the valuation technique is 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.

Fair value at				
	30 September 2017 (unaudited) HK\$'000	31 March 2017 (audited) HK\$'000	Fair value hierarchy	Valuation techniques and key inputs
Financial assets				
<i>Derivative under hedge accounting</i>				
– Cross-currency rate swap contract	4,389		– Level 2	Discounted cash flow: Future cash flows are estimated based on observable spot and forward exchange rates as well as the yield curves of relevant interest rates and contracted interest rates, discounted at respective currencies rate taking into account the credit risk of various counterparties.

There were no transfers between Level 1, 2 and 3 during the Period and year ended 31 March 2017.

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

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

As at 30 September 2017, the following Directors and chief executives of the Company had or were deemed or taken to have interests and short positions in the following shares, underlying shares and debentures of the Company and its associated corporation(s) (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) as recorded in the register maintained by the Company pursuant to Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors adopted by the Company ("EIHL Securities Code"):

(A) LONG POSITIONS 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. Semon Luk	Interest of spouse	2,747,610,489 (Note)	74.71%
Ms. Fan Man Seung, Vanessa ("Ms. Vanessa Fan")	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 AY Holdings. AY Holdings is held by STC International, being the trustee of the AY Trust, a discretionary trust set up by Dr. Albert Yeung. Dr. Albert Yeung, as founder of the AY Trust, had deemed interests in the said Shares held by Emperor International Group Holdings. By virtue of being the spouse of Dr. Albert Yeung, Ms. Semon Luk also had deemed interests in the same Shares.

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

(B) LONG POSITIONS INTERESTS IN ASSOCIATED CORPORATIONS

Name of Director	Name of associated corporation	Capacity/ Nature of interests	Number of issued ordinary shares held	Approximate % holding
Ms. Semon Luk	Emperor E Hotel	Interest of spouse	846,692,845	65.08%
	Emperor Watch & Jewellery Limited ("Emperor W&J")	Interest of spouse	3,617,860,000	52.57%

Note:

Emperor E Hotel and Emperor W&J are companies with their shares listed on the Stock Exchange. The above shares were ultimately owned by the AY Trust as founded by Dr. Albert Yeung. By virtue of being the spouse of Dr. Albert Yeung, Ms. Semon Luk had deemed interests in the same shares.

Save as disclosed above, as at 30 September 2017, none of the Directors nor chief executives of the Company had any interests or short positions in any Shares, underlying Shares and debentures of the Company or any of its associated corporation(s) (within the meaning of Part XV of the SFO).

OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SECURITIES

As at 30 September 2017, so far as is known to any Directors or chief executives of the Company, the persons or corporations (other than a Director or a chief executive of the Company) who had, or were deemed or taken to have interests and short positions in the Shares or underlying Shares as recorded in the register required to be kept by the Company under Section 336 of the SFO ("DI Register") or as otherwise notified to the Company were as follows:

LONG POSITIONS IN SHARES OF THE COMPANY

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

Note: These Shares were the same shares set out under Section (A) of "Directors' and Chief Executives' Interests and Short Positions in Securities" above of which Ms. Semon Luk has deemed interests in.

All interests stated above represent long positions. As at 30 September 2017, no short positions were recorded in the DI Register.

Save as disclosed above, as at 30 September 2017, the Directors or chief executives of the Company were not aware of any other persons or corporations (other than the Directors and chief executives of the Company) who had, or were deemed or taken to have, any interests or short positions in Shares or underlying Shares as recorded in the DI Register or otherwise as notified to the Company.

SHARE OPTIONS AND OTHER INFORMATION

SHARE OPTIONS

To enable the Company to provide incentives or rewards to participants including the Directors and eligible employees of the Group, the shareholders of the Company passed an ordinary resolution at the annual general meeting of the Company held on 8 August 2013 to approve the adoption of a new share option scheme which was adopted on 15 August 2013. Since then, no share options were granted thereunder.

CORPORATE GOVERNANCE CODE

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

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company had adopted EHL Securities Code on no less exacting terms than the required standards set out in Model Code for Securities Transactions of Directors of Listed Issuers ("Model Code") in Appendix 10 of the Listing Rules. Having made specific enquiry to the Directors, all of them confirmed that they have complied with the required standard of dealings as set out in the Model Code and EHL Securities Code throughout the Period.

Relevant employees who are likely to be in possession of unpublished price-sensitive information of the Group are also subject to compliance with written guidelines in line with the Model Code. No incident of non-compliance by relevant employees was noted during the Period.

REVIEW OF INTERIM REPORT

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

SHARE OPTIONS AND OTHER INFORMATION

CHANGES IN INFORMATION OF DIRECTORS

Pursuant to the requirements of Rule 13.51B(1) of the Listing Rules, the changes in Directors' information since the date of the 2016/2017 Annual Report are set out below:

Change in professional qualification of Director

Mr. Wong Tak Ming, Gary become a fellow member of the Institute of Chartered Accountants in England and Wales with effect from 1 October 2017.

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

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.

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

Hong Kong, 22 November 2017

SHARE OPTIONS AND OTHER INFORMATION

As at the date hereof, the Board comprises:

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

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

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

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