英皇集團(國際)有限公司

Emperor International Holdings Limited

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

INSPIRE THE FUTURE

INTERIM REPORT 2018 / 2019

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FINANCIAL HIGHLIGHTS

	For the six months ended 30 September		
	2018	2017	**Changes**
	HK$'000	HK$'000	
Total revenue	**1,536,451**	1,465,986	**+4.8%**
– Investment properties for rental income	**590,521**	539,493	**+9.5%**
– Property development for sale	**208,900**	186,700	**+11.9%**
– Hotel operations and related services	**737,030**	739,793	**-0.4%**
Gross profit	**1,094,803**	1,061,583	**+3.1%**
Fair-value gain on investment properties	**1,677,650**	1,430,148	**+17.3%**
Profit attributable to the owners of the Company			
– Underlying[1]	**942,281**	246,468	**+282.3%**
– Reported	**2,504,915**	1,596,732	**+56.9%**
Basic earnings per share	**HK$0.68**	HK$0.43	**+58.1%**
Interim dividend per share	**HK$0.047**	HK$0.047	**–**

[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 it subsidiaries (collectively referred to as the "Group") principally engage in property investment, property development and hospitality, owning properties with a total area of over 5 million square feet in Greater China and overseas. The Group has a tri-engine business model – owning many investment properties in prime locations that generate stable and recurrent income; operating many property development projects for earnings visibility; and developing hospitality services with strong recurrent cash flow.

FINANCIAL REVIEW

Overall Review

During the six months ended 30 September 2018 (the "Period"), the Group's total revenue was up by 4.8% to HK$1,536.5 million (2017: HK$1,466.0 million). Rental income from the Group's investment properties portfolio grew by 9.5% to HK$590.5 million (2017: HK$539.5 million), representing 38.4% (2017: 36.8%) of total revenue. The increase in rental income was largely driven by an expanded portfolio of properties. Revenue from the property development increased to HK$208.9 million (2017: HK$186.7 million), which represented the sales proceeds of the remaining units of ***Upton***. Although the sale of ***Peak Castle*** was launched and the presale of ***The Amused*** was completed, the relevant sales proceeds had not been recognised as revenue during the Period. Revenue from the hospitality segment was HK$737.0 million (2017: HK$739.8 million), accounting for 48.0% (2017: 50.5%) of the total revenue.

Gross profit increased to HK$1,094.8 million (2017: HK$1,061.6 million). A revaluation gain on investment properties amounted to HK$1,677.7 million (2017: HK$1,430.1 million). The profit for the Period attributable to the owners of the Company increased by 56.9% to HK$2,504.9 million (2017: HK$1,596.7 million). The increase was mainly due to an increase in fair value of investment properties and a realised gain on disposal of a self-used property amounted to HK$785.3 million during the Period.

Basic earnings per share was HK$0.68 (2017: HK$0.43). The board of directors of the Company (the "Board" or the "Directors") has declared payment of an interim dividend of HK$0.047 (2017: HK$0.047) per share.

Liquidity And Financial Resources

As at 30 September 2018, the Group's net asset value and net asset value per share amounted to HK$30,906.8 million (31 March 2018: HK$29,455.4 million) and HK$8.40 (31 March 2018: HK$8.01) per share, respectively.

The Group had cash, bank balances and bank deposits amounting to HK$3,774.8 million as at 30 September 2018 (31 March 2018: HK$3,850.4 million). The total external borrowings (excluding payables) amounted to approximately HK$26,449.5 million (31 March 2018: HK$26,779.0 million) and the Group's net gearing ratio was 34.6% (31 March 2018: 35.7%) (measured by net debts as a percentage to the total asset value of the Group).

FINANCIAL REVIEW *(continued)*

Liquidity And Financial Resources *(continued)*

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 operations. The Group's bank borrowings were denominated in Hong Kong dollars, Renminbi ("RMB") and Pounds Sterling ("GBP"), 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 Patacas ("MOP") and GBP. The Group is exposed to certain foreign exchange risk caused by fluctuation in RMB and GBP exchange rates. The Group closely monitors its overall foreign exchange exposure and adopt appropriate measures to mitigate currency risks, such as cross-currency rate swap contracts for unsecured notes, if necessary.

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 strived 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 90% as at 30 September 2018.

Existing Portfolio

– *Mainland China*

Located in Chang'an Avenue East, Beijing, ***Emperor Group Centre Beijing*** 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. The office and retail spaces are occupied by various tenants including a financial institution, a property developer, a retail and commercial bank, luxury watch and jewellery retailers, a high fashion designer brand, a fitness centre, and several fine-dining and catering operators. The development of ***Emperor Group Centre Beijing***, which boasts a prominent location in China's capital city, has marked a major milestone for the Group in developing upscale significant commercial projects in mainland China.

In October 2018, ***Emperor Group Centre Beijing*** was awarded the honor of "6-Star Super A-level Building" by Beijing Central Business District Administration Committee. The accolade has demonstrated the recognition of the ***Emperor Group Centre Beijing*** in China's real estate market, not only due to its superior geographical location, excellent transportation facilities and massive development potentials, but also its advanced architectural design standard, extensive distribution of businesses as well as property management which aligned with international standard.

BUSINESS REVIEW *(continued)*

Investment Properties for Rental Income *(continued)*

Existing Portfolio (continued)

– *Hong Kong – Retail Premises*

The Group owns many premium investment properties, with a strong focus on street level retail space in Hong Kong's main shopping districts. Key investment properties include the retail shops 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; Nos. 25-29 and Nos. 43-49A Hankow Road*** in Tsim Sha Tsui; ***The Pulse*** in Repulse Bay; ***retail shops of Fairview Height*** in Mid-Levels and ***Fitfort Shopping Arcade*** in North Point.

According to "Main Streets Across The World 2018" report, an annual publication of *Cushman & Wakefield*, Russell Street in Causeway Bay was ranked as the world's most valuable retail street by rental value. With prominent presence on Russell Street, the Group secures solid rental income and promising occupancy rate on the back of robust demand from global brands.

– *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*** and ***China Huarong Tower*** in Wan Chai; ***Emperor Commercial Centre*** in Central; a complex at ***Nos. 45-51 Kwok Shui Road*** in Kwai Chung; ***New Media Tower*** in Kwun Tong; ***Level 3, New Town Mansion Shopping Arcade*** and ***Ulferts Centre*** in Tuen Mun; and ***commercial and car park complexes at Sui Wo Court*** in Sha Tin.

– *Macau*

With a gross floor area of approximately 30,000 square feet, ***Emperor Nam Van Centre*** is a multi-storey premium retail complex with a blend of shopping and lifestyle offerings on the Macau Peninsula. It is occupied by various tenants including an international sports brand and a luxury jewellery retailer.

– *London*

The Group owns a 7-storey (including basement) retail and office complex as well as ***Ampersand Building*** at ***Nos. 181-183*** and ***Nos. 111-125,*** respectively, on ***Oxford Street, London. Ampersand Building*** is a 8-storey (including basement) composite building comprising retail spaces, office premises and apartments under lease with a total floor area of approximately 91,000 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.

BUSINESS REVIEW *(continued)*

Investment Properties for Rental Income *(continued)*

Future projects

– *Hong Kong*

The Group continually strives to upgrade the quality and maximise the potential rental income of its premises by undertaking various transformation and refurbishing programmes. For the redevelopment of ***Nos. 75-85 Lockhart Road***, two adjacent buildings were demolished. The site will be redeveloped into a prime office building with a gross floor area of 96,000 square feet. The project is scheduled for completion during 2020. The redevelopment is set to reinvigorate the site through creating a vibrant building in the heart of Wan Chai – 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*** was a 14-storey industrial building with a gross floor area of over 178,000 square feet. The building is planned for wholesale conversion into a commercial building covering diversified purposes such as food and beverage, retail spaces and offices. Under the approved waiver, the alternation and addition works have been commenced. This revitalisation project is in progress with target completion in 2021.

– *London*

The site at ***Nos. 25-27*** on ***Oxford Street*** will be redeveloped into a composite retail/office building with a gross floor area of approximately 20,000 square feet for long-term investment purpose. Such redevelopment is expected to be completed in 2019. The three premises of the Group in London are all situated at Oxford Street, which is a prominent shopping hub and tourist spot for international visitors.

– *Mainland China*

Located in Yuyuan, Huangpu District, Shanghai, ***Emperor Star City*** will be developed into a shopping arcade and hotel or serviced apartment complex, at a prime site adjacent to the Shanghai M10 subway route. Foundation and basement excavation work for the development has been completed. With an expected gross floor area of approximately 1,300,000 square feet, the complex will include a multi-storey shopping arcade as its major component.

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 has been established, which will provide medium-term contributions to the sale of residential units, for earnings visibility.

BUSINESS REVIEW *(continued)*

Property Development for Sale *(continued)*

Projects under the stage of sales launch

Some of the completed units of ***Peak Castle***, the luxurious low-rise development of detached houses in Siu Lam, Tuen Mun, were launched to the market during the Period. With a total saleable area of approximately 43,000 square feet, it is well served by a superb transportation network comprising Hong Kong–Shenzhen Western Corridor and Hong Kong–Zhuhai–Macau Bridge as well as the future Tuen Mun–Chek Lap Kok Link. As of 30 September 2018, 7 out of 14 houses were contracted.

A 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. Adjacent to Soho area and Lan Kwai Fong, it is in close proximity to Central-Mid-Levels Escalator, with convenient access to Central commercial district area. It is also located at traditional luxury residential area on Hong Kong Island, which is in line with the Group's strategic focus. Its presale is expected to be launched in the first half of 2019, and is targeted for completion in mid-2020.

The presale of ***The Amused***, an urban redevelopment project to create a 26-storey composite residential/retail tower offering 136 residential units in Shum Shui Po, Kowloon, with a total saleable area of approximately 40,300 square feet, was launched in 2017. The sales contracts of all the residential units were committed as of 30 September 2018. Such redevelopment is expected to be completed soon. The contracted sales proceeds will be fully recognised in the financial year 2018/2019.

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 detached houses. It is expected to be completed in late-2019. This project, as well as the residential project at ***Siu Lam***, 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 project is expected to be completed in 2019. Leveraging the unique location, this project will enable the Group to optimise the land bank portfolio, with better capital appreciation in future.

Two other sites, mainly ***Nos. 20-26 Old Bailey Street & No. 11 Chancery Lane***, Mid-Levels, and ***Nos. 24-26A, Davis Street***, Kennedy Town are under planning for redevelopment, which are targeting boutique-sized units and studio flats. These projects are expected to be completed in 2022.

BUSINESS REVIEW *(continued)*

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 ***The Emperor Hotel, Inn Hotel Hong Kong, MORI MORI Serviced Apartments*** and ***The Unit Serviced Apartments***. In Macau, it covers ***Grand Emperor Hotel*** and ***Inn Hotel Macau***, where income from hospitality and gaming has been consolidated with the Group.

– *Hong Kong*

The Emperor Hotel, a 29-storey hotel in Wan Chai, commenced operation in late-2017. With a gross floor area of approximately 115,000 square feet, it offers 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.

The Unit Serviced Apartments, a 21-storey, 68-unit block in Happy Valley, became operational in early 2018. The area is vibrant, conveniently located near Hong Kong's commercial districts, and affords easy access to 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.

Located in West Kowloon, ***Inn Hotel Hong Kong*** is a 30-storey hotel offering 200 guest rooms, with a gross floor area of approximately 48,000 square feet. Within a walking distance from the West Kowloon Terminus of the Guangzhou-Shenzhen-Hong Kong High Speed Rail, the hotel is poised to benefit from anticipated growth in visitation. It is also conveniently located near major entertainment, shopping and dining districts in Mong Kok and Yau Ma Tei, ensuring guests will truly experience Hong Kong as a vibrant and fascinating city.

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

BUSINESS REVIEW *(continued)*

Hotel Operations and Related Services *(continued)*

– *Macau*

Grand Emperor Hotel is another of the Group's flagship projects, located on the Macau Peninsula. With a gross floor area of approximately 655,000 square feet, it is a 26-storey hotel with 307 exquisite guest rooms, fine dining restaurants and bars, as well as gaming facilities. It has won an array of prestigious industry awards.

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

OUTLOOK

The global economic situation is clouded by Sino-US trade friction and tightening financial conditions in emerging markets. Uncertainties also exist on China, amidst a cooling real estate market and credit strains due to an ongoing deleveraging drive.

In late June 2018, the Hong Kong government introduced a slew of measures to tackle the short to medium term housing supply. The new initiatives, together with the growing economic uncertainties and the prospects of interest-rate hikes, have impacted purchasers' sentiment during the latter half of 2018. According to data released by the Rating and Valuation Department, private home prices in Hong Kong slightly declined for the second straight month in September 2018, following two years of continuous growth. Nevertheless, the underlying end-user demand remains solid, given favourable labour market conditions and the growing number of households.

While momentum in the broad residential market has slowed, the Group believes the luxury homes market will continue to demonstrate solid growth potential. Following the successful sales of ***Peak Castle*** in ***Siu Lam***, several projects with luxury sites including ***Mosque Street, Tai Lam*** and ***Shouson Hill*** are in the pipeline for development and sales in subsequent years. The contributions from these projects are expected to provide promising returns to the Group. Looking ahead, the Group will continue to replenish its land bank through multiple channels, in order to strengthen earnings and shareholders' value.

As a gateway city to China and the Asia Pacific region, Hong Kong remains appealing to companies from all over the globe as a place to establish their operations. With the commissioning of the Guangzhou-Shenzhen-Hong Kong High Speed Rail and the launching of Hong Kong-Zhuhai-Macao Bridge, Hong Kong's attractiveness will be further reinforced by the improved connectivity with major cities in China. In view of robust demand, the Grade-A office leasing market in central business districts is expected to remain strong. With a well-developed portfolio of Grade-A commercial buildings, the Group believes its investment properties will drive solid recurrent rental income in the long-run.

EMPLOYEES AND REMUNERATION POLICY

The total cost incurred for staff, including Directors' emoluments, was HK$334.3 million during the Period (2017: HK$320.4 million). The number of staff was 1,711 as at 30 September 2018 (2017: 1,745). 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. The Company has adopted a share option scheme to promote incentive or reward to staff.

ASSETS PLEDGED

As at 30 September 2018, assets with carrying value of HK$48,775.0 million (31 March 2018: HK$47,863.6 million) were pledged as security for banking facilities.

INTERIM DIVIDEND

The Board has declared an interim dividend of HK$0.047 per share ("Interim Dividend") (2017: HK$0.047 per share) amounting to approximately HK$172.8 million (2017: HK$172.8 million). The Interim Dividend will be payable on 21 December 2018 (Friday) to shareholders whose names appear on the register of members of the Company on 14 December 2018 (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 13 December 2018 (Thursday) to 14 December 2018 (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 12 December 2018 (Wednesday).

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 September 2018

		Six months ended 30 September	
		2018	2017
		(unaudited)	(unaudited)
	Notes	**HK$'000**	HK$'000
Revenue	3	**1,536,451**	1,465,986
Cost of properties sales		**(64,824)**	(63,817)
Cost of hotel and hotel related operations		**(310,195)**	(304,052)
Direct operating expenses in respect of leasing of investment properties		**(66,629)**	(36,534)
Gross profit		**1,094,803**	1,061,583
Other income		**61,951**	44,300
Fair value changes of investment properties		**1,677,650**	1,430,148
Other gains and losses	5	**703,714**	70,911
Selling and marketing expenses		**(176,826)**	(188,841)
Administrative expenses		**(253,735)**	(259,001)
Share of result of an associate		**(19,918)**	–
Share of result of a joint venture		**(37)**	(35)
Profit from operations	6	**3,087,602**	2,159,065
Finance costs		**(341,566)**	(290,587)
Profit before taxation		**2,746,036**	1,868,478
Taxation charge	7	**(170,547)**	(184,061)
Profit for the period		**2,575,489**	1,684,417
Profit for the period attributable to:			
Owners of the Company		**2,504,915**	1,596,732
Non-controlling interests		**70,574**	87,685
		2,575,489	1,684,417
Earnings per share	8		
Basic		**HK$0.68**	HK$0.43

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 September 2018

	Six months ended 30 September	
	2018	2017
	(unaudited)	(unaudited)
	HK$'000	HK$'000
Profit for the period	**2,575,489**	1,684,417
Other comprehensive (expense) income		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences arising on translation of foreign operations:		
– subsidiaries	**(859,272)**	381,757
– an associate	**(4,051)**	–
Fair value change on hedging instruments in cash flow hedge	**7,947**	–
Fair value change of investments in debt instruments measured at fair value through other comprehensive income	**(16,966)**	–
Reclassification adjustments for amounts transferred to profit or loss upon disposal of debt instruments at fair value through other comprehensive income	**612**	–
Other comprehensive (expense) income for the period	**(871,730)**	381,757
Total comprehensive income for the period	**1,703,759**	2,066,174
Total comprehensive income for the period attributable to:		
Owners of the Company	**1,643,031**	1,978,489
Non-controlling interests	**60,728**	87,685
	1,703,759	2,066,174

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2018

	Notes	At 30 September 2018 (unaudited) HK$'000	At 31 March 2018 (audited) HK$'000
Non-current assets			
Investment properties	10	**49,933,578**	49,154,763
Property, plant and equipment	10	**3,945,164**	3,966,945
Deposits paid for acquisition of investment properties/property, plant and equipment		**77,746**	76,703
Receivables related to a development project		**168,752**	185,328
Prepaid lease payments		**521,579**	529,423
Available-for-sale investments		**–**	262,965
Debt instruments at fair value through other comprehensive income		**388,875**	–
Interest in an associate		**68,711**	142,416
Interest in a joint venture	11	**696,939**	651,720
Goodwill		**56,683**	56,683
Other assets		**4,092**	4,092
Pledged bank deposits		**31,231**	31,035
Derivative financial instruments		**13,773**	16,126
		55,907,123	55,078,199
Current assets			
Inventories		**13,889**	14,995
Properties held for sale	12	**796,623**	73,848
Properties under development for sale	10	**3,335,762**	3,443,731
Prepaid lease payments		**16,764**	17,832
Trade and other receivables	13	**1,443,606**	1,551,271
Available-for-sale investments		**–**	160,109
Debt instruments at fair value through other comprehensive income		**114,628**	–
Taxation recoverable		**–**	9,667
Deposit in designated bank account for development properties		**9,405**	10,276
Pledged bank deposits		**44,036**	334
Short-term bank deposits		**824,912**	475,516
Bank balances and cash		**2,949,937**	3,374,884
		9,549,562	9,132,463
Asset classified as held for sale		**–**	43,172
Total current assets		**9,549,562**	9,175,635

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2018

	Notes	At 30 September 2018 (unaudited) HK$'000	At 31 March 2018 (audited) HK$'000
Current liabilities			
Trade and other payables	15	**1,233,535**	1,931,585
Contract liabilities		**900,651**	–
Amounts due to related companies		**456,617**	399,318
Amounts due to non-controlling interests of a subsidiary		**98,000**	107,600
Taxation payable		**472,343**	453,852
Unsecured notes – due within one year		**860,383**	862,989
Bank borrowings – due within one year		**4,778,786**	4,505,683
		8,800,315	8,261,027
Liabilities associated with assets classified as held for sale		**–**	86,665
Total current liabilities		**8,800,315**	8,347,692
Net current assets		**749,247**	827,943
Total assets less current liabilities		**56,656,370**	55,906,142
Non-current liabilities			
Amounts due to related companies		**1,618,054**	2,304,908
Unsecured notes – due after one year		**5,905,422**	5,913,099
Bank borrowings – due after one year		**12,732,273**	12,685,429
Deferred taxation		**2,190,868**	2,244,126
		22,446,617	23,147,562
		34,209,753	32,758,580
Capital and reserves			
Share capital		**36,775**	36,775
Reserves		**30,870,001**	29,418,598
Equity attributable to owners of the Company		**30,906,776**	29,455,373
Non-controlling interests		**3,302,977**	3,303,207
		34,209,753	32,758,580

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2018

	Attributable to owners of the Company										
	Share capital	Share premium	Translation reserve	Asset revaluation reserve	Investments revaluation reserve	Hedging reserve	Other reserves	Accumulated profits	Total	Non-controlling interests	Total equity
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
At 1 April 2018 (audited)	**36,775**	**4,563,248**	**809,384**	**202,048**	**(544)**	**(7,236)**	**604,499**	**23,247,199**	**29,455,373**	**3,303,207**	**32,758,580**
Profit for the period	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**2,504,915**	**2,504,915**	**70,574**	**2,575,489**
Exchange differences arising on translation of foreign operations:											
– subsidiaries	**–**	**–**	**(859,272)**	**–**	**–**	**–**	**–**	**–**	**(859,272)**	**–**	**(859,272)**
– an associate	**–**	**–**	**(4,051)**	**–**	**–**	**–**	**–**	**–**	**(4,051)**	**–**	**(4,051)**
Fair value gain on hedging instruments in cash flow hedges	**–**	**–**	**–**	**–**	**–**	**7,947**	**–**	**–**	**7,947**	**–**	**7,947**
Fair value change on investments in debt instruments measured at fair value through other comprehensive income	**–**	**–**	**–**	**–**	**(6,751)**	**–**	**–**	**–**	**(6,751)**	**(10,215)**	**(16,966)**
Reclassification adjustments relating to disposal of debt instruments at fair value through other comprehensive income	**–**	**–**	**–**	**–**	**243**	**–**	**–**	**–**	**243**	**369**	**612**
Total comprehensive (expense) income for the period	**–**	**–**	**(863,323)**	**–**	**(6,508)**	**7,947**	**–**	**2,504,915**	**1,643,031**	**60,728**	**1,703,759**
Acquisition of additional interests in subsidiaries	**–**	**–**	**–**	**–**	**–**	**–**	**6,515**	**–**	**6,515**	**(35,854)**	**(29,339)**
Arising from changes in cash flow estimates on amounts due to related companies	**–**	**–**	**–**	**–**	**–**	**–**	**26,053**	**–**	**26,053**	**–**	**26,053**
Depreciation attributable to revaluation surplus	**–**	**–**	**–**	**(786)**	**–**	**–**	**–**	**920**	**134**	**–**	**134**
Dividend paid to owners of the Company	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(224,330)**	**(224,330)**	**–**	**(224,330)**
Dividend paid to non-controlling interests	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(25,104)**	**(25,104)**
At 30 September 2018 (unaudited)	**36,775**	**4,563,248**	**(53,939)**	**201,262**	**(7,052)**	**711**	**637,067**	**25,528,704**	**30,906,776**	**3,302,977**	**34,209,753**
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 interests 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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2018

	Six months ended 30 September	
	2018	2017
	(unaudited)	(unaudited)
	HK$'000	HK$'000
Net cash flow from operating activities	**736,318**	341,996
Net cash used in investing activities	**(1,002,552)**	(5,678,812)
Net cash (used in) from financing activities	**(142,628)**	1,628,842
Net decrease in cash and cash equivalent	**(408,862)**	(3,707,974)
Cash and cash equivalents at the beginning of the reporting period:		
Bank balance and cash	**3,374,884**	6,620,318
Bank balance and cash included in a disposal group classified as held for sale	**26**	–
Effect of foreign exchange rate changes	**(16,111)**	7,819
Cash and cash equivalents at the end of the reporting period	**2,949,937**	2,920,163

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 unaudited condensed consolidated financial statements should be read in conjunction with the annual financial statements for the year ended 31 March 2018.

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.

Other than changes in accounting policies resulting from application of new and amendments to Hong Kong Financial Reporting Standards ("HKFRSs") issued by HKICPA, the accounting policies and methods of computation used in the unaudited condensed consolidated financial statements for the Period are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 March 2018.

Application of new and amendments to HKFRSs

In the Period, the Group has applied, for the first time, the following new and amendments to HKFRSs issued by the HKICPA which are mandatory effective for the annual period beginning on or after 1 April 2018 for the preparation of the Group's unaudited condensed consolidated financial statements:

HKFRS 9	Financial Instruments
HKFRS 15	Revenue from Contracts with Customers and the related Amendments
HK(IFRIC) – Int 22	Foreign Currency Transactions and Advance Consideration
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts
Amendments to HKAS 28	As part of the Annual Improvements to HKFRSs 2014-2016 Cycle
Amendments to HKAS 40	Transfers of Investment Property

2. PRINCIPAL ACCOUNTING POLICIES *(continued)*

Application of new and amendments to HKFRSs *(continued)*

The new and amendments to HKFRSs have been applied in accordance with the relevant transition provisions in the respective standards and amendments which results in changes in accounting policies, amounts reported and/or disclosures as described below.

2.1 Impacts and changes in accounting policies of application on HKFRS 15 Revenue from Contracts with Customers

The Group has applied HKFRS 15 for the first time in the Period. HKFRS 15 superseded HKAS 18 Revenue, HKAS 11 Construction Contracts and the related interpretations.

The Group recognises revenue from the following major sources:

- Rental income from investment properties
- Sales of properties
- Hotel and hotel related operations

Revenue from sales of properties is recognised at a point in time when the customer obtains the control of the completed properties, which is the completed property stated in the sale and purchase agreement being delivered and its title being passed to the customer.

Rental income will continue to be accounted for in accordance with HKAS 17 Leases.

The Group has applied HKFRS 15 retrospectively with the cumulative effect of initially applying this standard recognised at the date of initial application, 1 April 2018. Any difference at the date of initial application is recognised in the opening retained profits (or other components of equity, as appropriate) and comparative information has not been restated. Furthermore, in accordance with the transition provisions in HKFRS 15, the Group has elected to apply the standard retrospectively only to contracts that are not completed at 1 April 2018. Accordingly, certain comparative information may not be comparable as comparative information was prepared under HKAS 18 Revenue and HKAS 11 Construction Contracts and the related interpretations.

2. PRINCIPAL ACCOUNTING POLICIES *(continued)*

Application of new and amendments to HKFRSs *(continued)*

2.1 Impacts and changes in accounting policies of application on HKFRS 15 Revenue from Contracts with Customers *(continued)*

2.1.1 Key changes in accounting policies resulting from application of HKFRS 15

HKFRS 15 introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the Group satisfies a performance obligation

Under HKFRS 15, the Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a good and service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- the Group's performance creates and enhances an asset that the customer controls as the Group performs; or
- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

2. PRINCIPAL ACCOUNTING POLICIES *(continued)*

Application of new and amendments to HKFRSs *(continued)*

2.1 Impacts and changes in accounting policies of application on HKFRS 15 Revenue from Contracts with Customers *(continued)*

2.1.1 Key changes in accounting policies resulting from application of HKFRS 15 (continued)

Contracts with multiple performance obligations (including allocation of transaction price)

For contracts that contain more than one performance obligations including obligation to provide good or services to customers on complementary basis, the Group allocates the transaction price to each performance obligation on a relative stand-alone selling price basis.

The stand-alone selling price of the distinct good or service underlying each performance obligation is determined at contract inception. It represents the price at which the Group would sell a promised good or service separately to a customer. If a stand-alone selling price is not directly observable, the Group estimates it using appropriate techniques such that the transaction price ultimately allocated to any performance obligation reflects the amount of consideration to which the Group expects to be entitled in exchange for transferring the promised goods or services to the customer.

Existence of significant financing component

In determining the transaction price, the Group adjusts the promised amount of consideration for the effects of the time value of money if the timing of payments agreed (either explicitly or implicitly) provides the customer or the Group with a significant benefit of financing the transfer of goods or services to the customer. In those circumstances, the contract contains a significant financing component. A significant financing component may exist regardless of whether the promise of financing is explicitly stated in the contract or implied by the payment terms agreed to by the parties to the contract.

For contracts where the period between payment and transfer of the associated goods or services is less than one year, the Group applies the practical expedient of not adjusting the transaction price for any significant financing component.

Principal versus agent

When another party is involved in providing goods or services to a customer, the Group determines whether the nature of its promise is a performance obligation to provide the specified goods or services itself (i.e. the Group is a principal) or to arrange for those goods or services to be provided by the other party (i.e. the Group is an agent).

2. PRINCIPAL ACCOUNTING POLICIES *(continued)*

Application of new and amendments to HKFRSs *(continued)*

2.1 Impacts and changes in accounting policies of application on HKFRS 15 Revenue from Contracts with Customers *(continued)*

2.1.1 Key changes in accounting policies resulting from application of HKFRS 15 (continued)

Principal versus agent *(continued)*

The Group is a principal if it controls the specified good or service before that good or service is transferred to a customer.

The Group is an agent if its performance obligation is to arrange for the provision of the specified good or service by another party. In this case, the Group does not control the specified good or service provided by another party before that good or service is transferred to the customer. When the Group acts as an agent, it recognises revenue in the amount of any fee or commission to which it expects to be entitled in exchange for arranging for the specified goods or services to be provided by the other party.

The Directors considered that the Group acts as principal for its services provided to a gaming concessionaire or customers in hotel operation, as the Group controls the specified service to be provided by the Group before service transferred to a customer.

2.1.2 Summary of effects arising from initial application of HKFRS 15

The Directors reviewed and assessed the effect of application of HKFRS 15 in the current and prior periods and considered that there is no material impact on the timing and amounts of revenue recognised for both periods.

The table below illustrates the reclassification of deposits received for sale of properties to contract liabilities under HKFRS 15 at the date of initial application, 1 April 2018.

	Deposits received for sale of properties HK$'000	Contract liabilities HK$'000
Closing balance at 31 March 2018	463,402	–
Reclassification	**(463,402)**	**463,402**
Opening balance at 1 April 2018	**–**	**463,402**

2. PRINCIPAL ACCOUNTING POLICIES *(continued)*

Application of new and amendments to HKFRSs *(continued)*

2.1 Impacts and changes in accounting policies of application on HKFRS 15 Revenue from Contracts with Customers *(continued)*

2.1.2 Summary of effects arising from initial application of HKFRS 15 (continued)

The following table summarises the impact of applying HKFRS 15 on the Group's unaudited condensed consolidated statements of financial position as at 30 September 2018 for each of the line items affected. Line items that were not affected by the changes have not included.

	As reported (unaudited) HK$'000	Adjustments (unaudited) HK$'000	Amounts without application of HKFRS 15 (unaudited) HK$'000
Current liabilities			
Deposits received for sale of properties	–	900,651	900,651
Contract liabilities	900,651	(900,651)	–

2.2 Impacts and changes in accounting policies of application on HKFRS 9 Financial Instruments

In the Period, the Group has applied HKFRS 9 Financial Instruments and the related consequential amendments to other HKFRSs. HKFRS 9 introduces new requirements for 1) the classification and measurement of financial assets and financial liabilities; 2) expected credit losses ("ECL") for financial assets and 3) general hedge accounting.

The Group has applied HKFRS 9 in accordance with the transition provisions set out in HKFRS 9, i.e. applied the classification and measurement requirements (including impairment) retrospectively to instruments that have not been derecognised as at 1 April 2018 (date of initial application) and has not applied the requirements to instruments that have already been derecognised as at 1 April 2018.

Accordingly, certain comparative information may not be comparable as comparative information was prepared under HKAS 39 Financial Instruments: Recognition and Measurement.

2. PRINCIPAL ACCOUNTING POLICIES *(continued)*

Application of new and amendments to HKFRSs *(continued)*

2.2 Impacts and changes in accounting policies of application on HKFRS 9 Financial Instruments *(continued)*

2.2.1 Key changes in accounting policies resulting from application of HKFRS 9

Classification and measurement of financial assets

Trade receivables arising from contracts with customers are initially measured in accordance with HKFRS 15.

All recognised financial assets that are within the scope of HKFRS 9 are subsequently measured at amortised cost or fair value, including unquoted equity investments measured at cost less impairment under HKAS 39.

Debt instruments that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income ("FVTOCI"):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at fair value through profit or loss ("FVTPL"), except that at the date of initial application/initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income ("OCI") if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which HKFRS 3 Business Combinations applies.

2. PRINCIPAL ACCOUNTING POLICIES *(continued)*

Application of new and amendments to HKFRSs *(continued)*

2.2 Impacts and changes in accounting policies of application on HKFRS 9 Financial Instruments *(continued)*

2.2.1 Key changes in accounting policies resulting from application of HKFRS 9 (continued)

Classification and measurement of financial assets *(continued)*

In addition, the Group may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

Debt instruments/receivables classified as at FVTOCI

Subsequent changes in the carrying amounts for debt instruments/receivables classified as at FVTOCI as a result of interest income calculated using the effective interest method, and foreign exchange gains and losses are recognised in profit or loss. All other changes in the carrying amount of these debt instruments/receivables are recognised in OCI and accumulated under the heading of investment revaluation reserve. Impairment allowance are recognised in profit or loss with corresponding adjustment to OCI without reducing the carrying amounts of these debt instruments/receivables. The amounts that are recognised in profit or loss are the same as the amounts that would have been recognised in profit or loss if these debt instruments/receivables had been measured at amortised cost. When these debt instruments/receivables are derecognised, the cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss.

The Directors reviewed and assessed the Group's financial assets as at 1 April 2018 based on the facts and circumstances that existed at that date. Changes in classification and measurement on the Group's financial assets and the impacts thereof are detailed in Note 2.2.2.

Impairment of ECL model

The Group recognises a loss allowance for ECL on financial assets which are subject to impairment under HKFRS 9 (including debt instruments at FVTOCI, trade receivables, other receivables, bank deposits and bank balances). The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

2. PRINCIPAL ACCOUNTING POLICIES *(continued)*

Application of new and amendments to HKFRSs *(continued)*

2.2 Impacts and changes in accounting policies of application on HKFRS 9 Financial Instruments *(continued)*

2.2.1 Key changes in accounting policies resulting from application of HKFRS 9 (continued)

Impairment of ECL model *(continued)*

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("12m ECL") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessment are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognises lifetime ECL for trade receivables from gaming operation. The ECL on trade receivables from gaming operation are assessed individually for debtors with significant balances and/or making specific provision to these assets when necessary.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

2. PRINCIPAL ACCOUNTING POLICIES *(continued)*

Application of new and amendments to HKFRSs *(continued)*

2.2 Impacts and changes in accounting policies of application on HKFRS 9 Financial Instruments *(continued)*

2.2.1 Key changes in accounting policies resulting from application of HKFRS 9 (continued)

Impairment of ECL model *(continued)*

Significant increase in credit risk (continued)

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the aforegoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if i) it has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group considers a debt instrument to have low credit risk when it has an internal or external credit rating of "investment grade" as per globally understood definitions.

2. PRINCIPAL ACCOUNTING POLICIES *(continued)*

Application of new and amendments to HKFRSs *(continued)*

2.2 Impacts and changes in accounting policies of application on HKFRS 9 Financial Instruments *(continued)*

2.2.1 Key changes in accounting policies resulting from application of HKFRS 9 (continued)

Impairment of ECL model *(continued)*

Significant increase in credit risk (continued)

The Group considers that default has occurred when the instrument is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information.

Generally, the ECL is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit impaired, in which case interest income is calculated based on amortised cost of the financial asset.

Except for investments in debt instruments that are measured at FVTOCI, the Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade receivables where the corresponding adjustment is recognised through a loss allowance account. For investments in debt instruments that are measured at FVTOCI, the loss allowance is recognised in OCI and accumulated in the investment revaluation reserve without reducing the carrying amounts of these debt instruments.

As at 1 April 2018, the Directors reviewed and assessed the Group's existing financial assets for impairment using reasonable and supportable information that is available without undue cost or effort in accordance with the requirements of HKFRS 9. According to the results of the assessment, no impairment allowance was recognised as at 1 April 2018 and further assessment process is set out in note 14.

2. PRINCIPAL ACCOUNTING POLICIES *(continued)*

Application of new and amendments to HKFRSs *(continued)*

2.2 Impacts and changes in accounting policies of application on HKFRS 9 Financial Instruments *(continued)*

2.2.2 Summary of effects arising from initial application of HKFRS 9

The table below illustrates the classification and measurement of financial assets under HKFRS 9 and HKAS 39 at the date of initial application, 1 April 2018.

	AFS investments (unaudited) HK$'000	Debt instruments at FVTOCI (unaudited) HK$'000
Closing balance at 31 March 2018 – HKAS 39	423,074	–
Effect arising from initial application of HKFRS 9:		
Reclassification		
From available-for-sale ("AFS") investments *(Note)*	**(423,074)**	**423,074**
Opening balance at 1 April 2018 – HKFRS 9	**–**	**423,074**

Note:

AFS investments

From AFS investments to debt instruments at FVTOCI

Listed bonds with a fair value of HK$423,074,000 were reclassified from AFS investments to debt instruments at FVTOCI, as these investments are held within a business model whose objective is achieved by both collecting contractual cash flows and selling of these assets and the contractual cash flows of these investments are solely payments of principal and interest on the principal amount outstanding. Related fair value losses of HK$834,000 continued to accumulate in the investments revaluation reserve as at 1 April 2018.

Except as described above, the application of other new and amendments to HKFRSs in the Period has had no material impact on the amounts reported and/or disclosures set out in these unaudited 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.

3. REVENUE

An analysis of the Group revenue is as follows:

	Six months ended 30 September 2018 (unaudited) HK$'000
Recognised over time:	
Service income from gaming operations	546,677
Hotel room income	111,078
Others	3,250
	661,005
Recognised at a point of time:	
Sales of properties	208,900
Food and beverages sales	75,009
Others	1,016
	284,925
Rental income from investment properties	590,521
	1,536,451

4. 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, gain on disposal of a subsidiary, fair value changes of investment properties, finance costs, share of result of an associate and share of result of a joint venture. 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	
	2018	2017	**2018**	2017
	(unaudited)	(unaudited)	**(unaudited)**	(unaudited)
	HK$'000	HK$'000	**HK$'000**	HK$'000
Business segments				
Lease of properties	**590,521**	539,493	**491,721**	469,023
Properties development	**208,900**	186,700	**128,994**	130,771
Hotel and hotel related operations	**737,030**	739,793	**136,979**	149,678
	1,536,451	1,465,986	**757,694**	749,472
Interest income			**45,662**	27,076
Gain on disposal of a subsidiary			**785,305**	–
Corporate expenses, net			**(158,754)**	(47,596)
Fair value changes of investment properties			**1,677,650**	1,430,148
Finance costs			**(341,566)**	(290,587)
Share of result of an associate			**(19,918)**	–
Share of result of a joint venture			**(37)**	(35)
Profit before taxation			**2,746,036**	1,868,478
Taxation charge			**(170,547)**	(184,061)
Profit for the period			**2,575,489**	1,684,417

5. OTHER GAINS AND LOSSES

	Six months ended 30 September	
	2018	2017
	(unaudited)	(unaudited)
	HK$'000	HK$'000
Reversal of write-downs of properties under development for sale *(Note)*	**–**	45,717
Net exchange (loss) gain	**(81,591)**	25,194
Gain on disposal of a subsidiary *(note 16)*	**785,305**	–
	703,714	70,911

Note: During the six months ended 30 September 2017, 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 (2018: nil).

6. PROFIT FROM OPERATIONS

Profit from operations for the Period has been arrived at after charging amortisation and depreciation of approximately HK$99,448,000 (2017: HK$95,823,000) in respect of the Group's property, plant and equipment.

7. TAXATION CHARGE

	Six months ended 30 September	
	2018	2017
	(unaudited)	(unaudited)
	HK$'000	HK$'000
Taxation charge comprises:		
Current tax		
Hong Kong Profits Tax	**36,346**	32,679
Macau Complementary Income Tax ("CT")	**18,701**	21,337
The People's Republic of China ("PRC") Enterprise Income Tax	**594**	–
United Kingdom ("UK") Income Tax	**–**	2,624
	55,641	56,640
Overprovision in prior years		
Hong Kong Profits Tax	**(66)**	–
UK Income Tax	**(59)**	–
	(125)	–
Deferred taxation	**115,031**	127,421
	170,547	184,061

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.

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both periods.

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

8. EARNINGS PER SHARE

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

	Six months ended 30 September	
	2018	2017
	(unaudited)	(unaudited)
	HK$'000	HK$'000
Earnings		
Earnings (profit for the period attributable to owners of the Company) for the purpose of basic earnings per share	**2,504,915**	1,596,732

	Six months ended 30 September	
	2018	2017
	(unaudited)	(unaudited)
Number of shares		
Weighted average number of ordinary shares in issue for the purpose of basic earnings per share	**3,677,545,667**	3,677,545,667

Diluted earnings 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.

9. DIVIDEND

	Six months ended 30 September	
	2018	2017
	(unaudited)	(unaudited)
	HK$'000	HK$'000
Final dividend of HK$0.061 per share for the year ended 31 March 2018 paid during the period (year ended 31 March 2017: HK$0.058)	**224,330**	213,298

The Board has declared an interim dividend of HK$0.047 (2017: HK$0.047) per share amounting to approximately HK$172,845,000 (2017: HK$172,845,000).

10. 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$254,340,000 (2017: HK$4,095,018,000).

The fair values of the Group's investment properties at 30 September 2018 and 31 March 2018 have been arrived at on the basis of a valuation carried out on those date by Memfus Wong Surveyors Limited, Savills Valuation and Professional Services Limited, Cushman & Wakefield Limited and Colliers International (Hong Kong) Limited, independent firms of qualified professional property valuers not connected with the Group, in accordance with the HKIS Valuation Standards issued by Hong Kong Institute of Surveyors.

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

For investment properties under development, the valuations have been arrived at assuming that the investment properties will be completed in accordance with the development proposals and the relevant approvals for the proposals have been obtained. The valuations include key factors such as the market value of the completed investment properties, which are estimated with reference to recent sales evidence of similar properties in the nearest locality as available in the relevant market with adjustments made by the valuers to account 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$1,677,650,000 (2017: HK$1,430,148,000) 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$47,212,000 and HK$627,074,000 (2017: HK$83,585,000 and HK$70,887,000) respectively.

11. 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 2018, the Group has given corporate guarantee of HK$941,600,000 (31 March 2018: HK$941,600,000) to a bank in respect of banking facilities granted to Talent Charm, of which HK$592,000,000 (31 March 2018: HK$584,000,000) has been utilised. In the opinion of the Directors, the fair value of the guarantee is not significant.

12. PROPERTIES HELD FOR SALE

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

	At 30 September 2018 (unaudited) HK$'000	At 31 March 2018 (audited) HK$'000
Hong Kong	**796,172**	73,356
The PRC	**451**	492
	796,623	73,848

13. 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 2018 (unaudited) HK$'000	At 31 March 2018 (audited) HK$'000
0 – 30 days	**84,727**	107,600
31 – 90 days	**33,548**	5,371
91 – 180 days	**8,392**	2,504
Over 180 days	**14,720**	14,344
	141,387	129,819
Chips on hand	**113,207**	151,712
Other receivables	**407,714**	514,476
Deposits and prepayments	**781,298**	755,264
	1,443,606	1,551,271

13. TRADE AND OTHER RECEIVABLES *(continued)*

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 for 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.

Included in other receivables are amounts due from related companies of HK$47,259,000 (31 March 2018: HK$42,854,000). 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.

14. IMPAIRMENT ASSESSMENT ON FINANCIAL ASSETS SUBJECT TO ECL MODEL

As part of the Group's credit risk management, the Group considers debtors' aging for its customers. The Group assessed the ECL for trade receivables from a gaming concessionaire and gaming patrons individually and other trade receivables collectively based on provision matrix as at 1 April 2018 and 30 September 2018. No impairment allowance was provided by the Group for trade receivables from gaming concessionaire assessed individually and the other trade receivables assessed based on the provision matrix due to the low probability of default of those customers based on historical credit loss experience. The management of the Group has also assessed all available forward looking information, including but not limited to the economic outlook of Macau and subsequent settlement of these customers, and concluded that there is no significant increase in credit risk.

During the Period, an impairment allowance of HK$4,931,000 (2017: nil) was made for the trade receivables for certain gaming patrons assessed individually. Allowance for doubtful debts at the end of the reporting period with an aggregate balance of HK$16,401,000 (31 March 2018: HK$11,470,000) represents individually impaired balances from these gaming patrons that the management of the Group considered as uncollectible.

For the rest of other receivables including chips on hand, bank deposits and bank balances, no allowance for impairment was made since the management of the Group considered the probability of default is negligible after accessing counterparties' financial background and creditability or the counterparties are bank with high credit ratings assigned by international credit-rating agencies, and have low credit risk.

15. 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 2018 (unaudited) HK$'000	At 31 March 2018 (audited) HK$'000
0 – 90 days	**19,653**	36,798
91 – 180 days	**–**	62
Over 180 days	**–**	41
	19,653	36,901
Amount due to a shareholder of an associate *(Note)*	**1,348**	49,222
Construction payables and accruals	**532,339**	581,687
Deposits received for sales of properties	**–**	463,402
Other payables and accruals	**321,288**	280,321
Payables of acquisition of AFS investments	**–**	156,741
Rental deposits received	**358,907**	363,311
	1,233,535	1,931,585

Note: The amount due to a shareholder of an associate is unsecured, repayable on demand and carries interest at 5.12% (31 March 2018: 4.51%) per annum.

16. GAIN ON DISPOSAL OF A SUBSIDIARY

On 29 March 2018, the Group entered into a sales and purchase agreement to dispose of its entire equity interest in Prestige Gold Investment Limited and the relevant shareholder's loan, to a company wholly-owned by The Albert Yeung Discretionary Trust ("AY Trust"), the settlor and founder of which is Dr. Yeung Sau Sing, Albert ("Dr. Albert Yeung"), for a total consideration of approximately HK$825,000,000. Prestige Gold Investment Limited is principally engaged in property investment. The disposal was completed on 13 June 2018 with a gain of HK$785,305,000.

An analysis of the net inflow of cash and cash equivalents in respect of a subsidiary was a follow:

	HK$'000
Cash consideration received	40,000
Bank balances and cash of a subsidiary disposed of	(26)
Net inflow arising on disposal	39,974

The following are the assets and liabilities in respect of the subsidiary at the date of disposal:

	HK$'000
Property, plant and equipment	42,695
Debtors, deposits and prepayments	1,046
Bank balances and cash	26
Trade and other payables	(4,113)
Net assets disposal of	39,654

Gain on disposal is calculated as follow:

	HK$'000
Repayment of loan due to a related company	784,959
Cash consideration	40,000
Net assets of a subsidiary disposed of	(39,654)
Net gain on disposal	785,305

17. RELATED PARTY TRANSACTIONS

(a) Other than disclosed in notes 11, 13, 15 and 16, the Group also had the following significant transactions with related parties during both periods:

	Six months ended 30 September 2018 (unaudited) HK$'000	2017 (unaudited) HK$'000
Commission to Dr. Albert Yeung in his capacity as a patron of the Group's VIP rooms	**552**	295
Financial services expenses to related companies	**526**	480
Interest expenses to related companies	**73,524**	66,654
Interest income from a joint venture	**6,855**	6,570
Purchase of property, plant and equipment and merchandising goods from related companies	**1,041**	1,119
Rental income from related companies	**122,452**	98,595
Secretarial fee expenses to a related company	**470**	470
Share of administrative expenses by related companies	**40,306**	38,681

(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 2018 (unaudited) HK$'000	2017 (unaudited) HK$'000
Fees	**1,149**	705
Salaries and other short term benefit	**7,906**	6,165
	9,055	6,870

17. RELATED PARTY TRANSACTIONS *(continued)*

(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$2,659,000 (2017: HK$5,355,000). The accommodation contract was terminated on 13 June 2018.

(d) Amounts due to related parties

	At 30 September 2018 (unaudited) HK$'000	At 31 March 2018 (audited) HK$'000
Amounts due to non-controlling interests of a subsidiary	**98,000**	107,600
Amounts due to related companies	**2,074,671**	2,704,226

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

18. COMMITMENTS

	At 30 September 2018 (unaudited) HK$'000	At 31 March 2018 (audited) HK$'000
Contracted for but not provided in the condensed consolidated financial statements, net of deposits paid, in respect of:		
– investment properties	**399,178**	267,974
– property, plant and equipment	**4,324**	5,123
– properties under development for sale	**442,842**	394,946
	846,344	668,043

19. 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 2018 (unaudited) HK$'000	At 31 March 2018 (audited) HK$'000
Bank deposits	**74,931**	31,035
Investment properties	**43,527,512**	42,683,768
Properties under development for sale	**1,292,283**	1,183,468
Buildings, including relevant leasehold land in Hong Kong	**36,152**	70,412
Hotel properties, including relevant leasehold land in Hong Kong	**3,228,890**	3,259,344
Prepaid lease payments	**538,343**	547,255
Others *(Note)*	**76,885**	88,354
	48,774,996	47,863,636

Note: Others represent floating charges over certain other assets of the Group, principally include 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$336,000 (31 March 2018: HK$334,000) pledged to a bank to secure use of ferry ticket equipment provided by a third party to the Group.

20. 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.

Financial assets	Fair value at 30 September 2018 (unaudited) HK$'000	Fair value at 31 March 2018 (audited) HK$'000	Fair value hierarchy	Valuation techniques and key inputs
Cross currency rate swap contract classified as derivative financial instruments in the consolidated statement of financial position	**13,773**	16,126	Level 2	Discounted cash flow: Future cash flows are estimated based on forward currency exchange rates (from observable yield curves at the end of the reporting period) and contracted currency exchange rates, discounted at a rate that reflects the credit risk of various counterparties.
AFS investments	**–**	423,074	Level 1	Quoted bid prices in an active market
Debt instruments at FVTOCI	**503,503**	–	Level 1	Quoted bid prices in an active market

There were no transfers between Level 1, 2 and 3 during the Period and year ended 31 March 2018.

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.

21. EVENTS AFTER THE END OF THE REPORTING PERIOD

a) On 27 August 2018, the Group entered into a sale and purchase agreement with Emperor Watch & Jewellery (HK & Macau) Holdings Limited, an indirect wholly-owned subsidiary of Emperor Watch & Jewellery Limited ("Emperor W&J"), to dispose of its entire equity interest in Perfect Raise Holdings Limited, being an indirect wholly-owned subsidiary of the Company, which indirectly holds the property interest of ground floor and first floor of No.4 to No.8 Canton Road, Kowloon. The disposal is subject to the fulfilment of the conditions precedent stated in the sale and purchase agreement. Details of the transaction are contained in the circular of the Company dated 12 November 2018.

b) On 8 October 2018, Emperor E Hotel made an acquisition of 15% equity interest in Luck United Holding Limited ("Luck United"), a non wholly-owned subsidiary of the Company, and the relevant shareholder's loan from a substantial shareholder of Luck United at a cash consideration of HK$460,000,000. Luck United is an investment holding company and its subsidiaries are engaged in hotel and catering services and gaming operation. Upon completion of the acquisition on 19 October 2018, the Group increased its effective stake in Luck United from 39.8% to 49.7%. The result in discount on the acquisition amounting to approximately HK$194,761,000 (being the difference between the aggregate net asset value acquired and the total consideration paid by the Group) has been credited to reserves account upon completion.

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

As at 30 September 2018, 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 Shares interested	Approximate % holding
Ms. Semon Luk	Interest of spouse	2,747,610,489 *(Note)*	74.71%
Mr. Yeung Ching Loong, Alexander ("Mr. Alex Yeung")	Eligible beneficiary of the AY Trust	2,747,610,489 *(Note)*	74.71%
Ms. Fan Man Seung, Vanessa	Beneficial owner	10,500,000	0.29%

Note:

These Shares were held by Emperor International Group Holdings Limited ("Emperor International Group Holdings"), a wholly-owned subsidiary of 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 whereas Mr. Alex Yeung also had deemed interests in the same Shares by being one of the eligible beneficiaries of the AY Trust.

(B) LONG POSITIONS INTERESTS IN ORDINARY SHARES OF ASSOCIATED CORPORATIONS

Name of Director	Name of associated corporation	Capacity/ Nature of interests	Number of shares interested	Approximate % holding
Ms. Semon Luk	Emperor E Hotel	Interest of spouse	851,352,845	66.26%
	Emperor W&J	Interest of spouse	3,630,950,000	53.56%
	Ulferts International Limited ("Ulferts International")	Interest of spouse	600,000,000	75.00%
Mr. Alex Yeung	Emperor E Hotel	Eligible beneficiary of the AY Trust	851,352,845	66.26%
	Emperor W&J	Eligible beneficiary of the AY Trust	3,630,950,000	53.56%
	Ulferts International	Eligible beneficiary of the AY Trust	600,000,000	75.00%

Note:

Emperor E Hotel, Emperor W&J and Ulferts International 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 whereas Mr. Alex Yeung also had deemed interests in the same shares by being one of the eligible beneficiaries of the AY Trust.

Save as disclosed above, as at 30 September 2018, 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 2018, 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 and the Stock Exchange were as follows:

LONG POSITIONS IN SHARES OF THE COMPANY

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

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

All interests stated above represent long positions. As at 30 September 2018, no short positions were recorded in the DI Register.

Save as disclosed above, as at 30 September 2018, 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 as otherwise notified to the Company and the Stock Exchange.

SHARE OPTIONS

To enable the Group to attract, retain and motivate talented participants to strive for future developments and expansion of the Group, the Company has adopted a shares option scheme 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 set out in the Corporate Governance Code contained in Appendix 14 of the Listing Rules.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company had adopted EIHL Securities Code on no less exacting terms than the required standards set out in Model Code for Securities Transactions by 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 EIHL 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 or reviewed by the Company's auditor, Deloitte Touche Tohmatsu, but have been reviewed by the audit committee of the Company, which comprises three Independent Non-executive Directors of the Company.

CHANGES IN INFORMATION OF DIRECTORS

The changes in the Directors' information which is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules since the date of the 2017/2018 Annual Report are set out below:

On the recommendation of the Remuneration Committee, the Board had reviewed and revised the Directors' fee with reference to the market rates and the duties and responsibilities undertaken by the Directors with effect from 1 April 2018 as follows:

Executive Directors	–	HK$250,000 per annum
Independent Non-executive Directors	–	HK$280,000 per annum

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, 28 November 2018

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 Mr. Yeung Ching Loong, Alexander
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.