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

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 163)**

**ANNOUNCEMENT OF INTERIM RESULTS  
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2015**

	<b>Six months ended</b>		<b>Changes</b>
	<b>30 September</b>		
	<b>2015</b>	<b>2014</b>	
	<i>HK\$'000</i>	<i>HK\$'000</i>	
Revenue			
– Lease of properties	<b>398,464</b>	337,220	<b>+18.2%</b>
– Properties development	<b>2,430,943</b>	–	<b>N/A</b>
– Hotel and hotel related operations	<b>904,012</b>	1,074,880	<b>-15.9%</b>
Total revenue	<b><u>3,733,419</u></b>	<u>1,412,100</u>	<b>+164.4%</b>
Gross profit	<b><u>1,882,716</u></b>	<u>1,084,370</u>	<b>+73.6%</b>
Revaluation (loss)/gain on investment properties	<b><u>(1,206,567)</u></b>	<u>617,503</u>	<b>N/A</b>
Total segment profit (excluding revaluation (loss)/gain)	<b><u>1,266,850</u></b>	<u>687,412</u>	<b>+84.3%</b>

\* For identification purposes only

The board of directors (the “Board” or the “Directors”) of Emperor International Holdings Limited (the “Company”) announces the unaudited condensed consolidated results of the Company and its subsidiaries (collectively referred to as the “Group”) for the six months ended 30 September 2015 (the “Period”) together with comparative figures for the corresponding period in 2014 as set out below:

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

*For the six months ended 30 September 2015*

		<b>Six months ended</b>	
		<b>30 September</b>	
		<b>2015</b>	2014
		<b>(unaudited)</b>	(unaudited)
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue		<b>3,733,419</b>	1,412,100
Cost of properties sales		<b>(1,488,065)</b>	–
Cost of hotel and hotel related operations		<b>(327,133)</b>	(310,797)
Direct operating expenses in respect of leasing of investment properties		<b>(35,505)</b>	(16,933)
		<hr/>	<hr/>
Gross profit		<b>1,882,716</b>	1,084,370
Other income		<b>71,931</b>	57,807
Fair value changes of investment properties		<b>(1,206,567)</b>	617,503
Impairment loss on prepaid lease payments		<b>(41,199)</b>	–
Other gains and losses		<b>(22,323)</b>	(1,831)
Selling and marketing expenses		<b>(363,089)</b>	(264,520)
Administrative expenses		<b>(289,895)</b>	(215,728)
Share of result of a joint venture		<b>(45)</b>	(15)
		<hr/>	<hr/>
Profit from operations	4	<b>31,529</b>	1,277,586
Finance costs		<b>(210,002)</b>	(138,787)
		<hr/>	<hr/>
(Loss) profit before taxation		<b>(178,473)</b>	1,138,799
Taxation	5	<b>(327,637)</b>	(155,462)
		<hr/>	<hr/>
(Loss) profit for the period		<b>(506,110)</b>	983,337
		<hr/> <hr/>	<hr/> <hr/>

		<b>Six months ended</b>	
		<b>30 September</b>	
		<b>2015</b>	2014
		<b>(unaudited)</b>	(unaudited)
	<i>Notes</i>	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>Other comprehensive (expense) income</b>			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of foreign subsidiaries		<u>(170,977)</u>	<u>2,177</u>
Total comprehensive (expense) income for the period		<u><b>(677,087)</b></u>	<u>985,514</u>
<b>(Loss) profit for the period attributable to:</b>			
Owners of the Company		<b>(591,701)</b>	775,481
Non-controlling interests		<u>85,591</u>	<u>207,856</u>
		<u><b>(506,110)</b></u>	<u>983,337</u>
<b>Total comprehensive (expense) income for the period attributable to:</b>			
Owners of the Company		<b>(762,595)</b>	777,655
Non-controlling interests		<u>85,508</u>	<u>207,859</u>
		<u><b>(677,087)</b></u>	<u>985,514</u>
(Loss) earnings per share	6		
Basic		<u><b>(HK\$0.16)</b></u>	<u>HK\$0.21</u>
Diluted		<u><b>(HK\$0.16)</b></u>	<u>HK\$0.21</u>

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

*As at 30 September 2015*

		As at	
		30 September 2015 (unaudited) <i>HK\$'000</i>	31 March 2015 (audited) <i>HK\$'000</i>
	<i>Notes</i>		
<b>Non-current assets</b>			
Investment properties	8	<b>36,767,375</b>	36,525,060
Property, plant and equipment	8	<b>3,255,978</b>	3,261,792
Deposits paid for acquisition of investment properties/property, plant and equipment		<b>139,965</b>	127,390
Receivables related to a development project		<b>180,911</b>	187,471
Prepaid lease payments		<b>576,530</b>	625,876
Interest in a joint venture	9	<b>585,069</b>	572,474
Goodwill		<b>56,683</b>	56,683
Pledged bank deposits		<b>30,252</b>	–
Other assets		<b>4,092</b>	4,092
		<b>41,596,855</b>	41,360,838
<b>Current assets</b>			
Inventories		<b>13,722</b>	14,827
Properties held for sale	10	<b>1,086,624</b>	202,071
Properties under development for sale	8	<b>1,302,666</b>	2,641,237
Prepaid lease payments		<b>17,498</b>	18,702
Trade and other receivables	11	<b>906,808</b>	941,085
Derivative financial instruments		–	3,241
Taxation recoverable		<b>12,275</b>	11,520
Deposit in designated bank account for development properties		<b>9,781</b>	10,072
Pledged bank deposits		<b>1,409,511</b>	2,450,870
Short-term bank deposit		<b>19,682</b>	–
Bank balances and cash		<b>2,485,564</b>	1,356,769
		<b>7,264,131</b>	7,650,394

		As at	
		30 September 2015 (unaudited) HK\$'000	31 March 2015 (audited) HK\$'000
	<i>Notes</i>		
<b>Current liabilities</b>			
Trade and other payables	12	1,476,739	2,138,073
Amount due to a related company		432,067	456,108
Amounts due to non-controlling interests of subsidiaries		140,489	152,576
Derivative financial instruments		20,297	1,084
Taxation payable		600,687	443,240
Bank and other borrowings – due within one year		3,275,439	2,861,948
		<u>5,945,718</u>	<u>6,053,029</u>
<b>Net current assets</b>		<u>1,318,413</u>	<u>1,597,365</u>
<b>Total assets less current liabilities</b>		<u>42,915,268</u>	<u>42,958,203</u>
<b>Non-current liabilities</b>			
Amount due to a related company		3,320,353	3,062,083
Unsecured notes		3,768,828	3,761,206
Derivative financial instruments		–	23,324
Bank and other borrowings – due after one year		7,069,823	6,665,704
Deferred taxation		1,150,181	998,088
		<u>15,309,185</u>	<u>14,510,405</u>
		<u>27,606,083</u>	<u>28,447,798</u>
<b>Capital and reserves</b>			
Share capital		36,775	36,718
Reserves		24,624,028	25,522,133
		<u>24,660,803</u>	<u>25,558,851</u>
Equity attributable to owners of the Company		<u>24,660,803</u>	<u>25,558,851</u>
Non-controlling interests		<u>2,945,280</u>	<u>2,888,947</u>
		<u>27,606,083</u>	<u>28,447,798</u>

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

*For the six months ended 30 September 2015*

### 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 of the year ended 31 March 2015.

### 2. PRINCIPAL ACCOUNTING POLICIES

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

In the Period, the Group has adopted, for the first time, the following amendments to Hong Kong Financial Reporting Standards (the “HKFRSs”) issued by the HKICPA that are mandatorily effective for annual periods beginning on or after 1 April 2015. Except for 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 2015.

Amendments to HKAS 19	Defined benefit plans: Employee contributions
Amendments to HKFRS	Annual improvements to HKFRSs 2010-2012 Cycle
Amendments to HKFRS	Annual improvements to HKFRSs 2011-2013 Cycle

The application of the above amendments in the Period has had no material effect on the amounts and/or disclosures reported in these condensed consolidated financial statements.

The Group had not early applied any new or revised HKFRSs that have been issued but are not yet effective for the Period.

### 3. SEGMENT INFORMATION

For management purpose, the business segments of the Group are currently organised into lease of properties, properties development and hotel and hotel related operations. These divisions are the basis on which the Group reports its primary segment information. The segment results of lease of properties and properties development include administrative and running expenses for those properties under development.

	Segment revenue		Segment results	
	Six months ended		Six months ended	
	30 September		30 September	
	2015	2014	2015	2014
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>Business segments</b>				
Lease of properties	<b>398,464</b>	337,220	<b>(859,933)</b>	926,345
Properties development	<b>2,430,943</b>	–	<b>766,962</b>	(4,412)
Hotel and hotel related operations	<b>904,012</b>	1,074,880	<b>153,254</b>	382,982
	<b><u>3,733,419</u></b>	<u>1,412,100</u>	<b><u>60,283</u></b>	<u>1,304,915</u>
Interest income			<b>53,175</b>	39,458
Unallocated corporate expenses, net			<b>(59,561)</b>	(64,941)
Net loss on fair value changes in derivative financial instruments			<b>(22,323)</b>	(1,831)
Finance costs			<b>(210,002)</b>	(138,787)
Share of result of a joint venture			<b>(45)</b>	(15)
Taxation			<b>(327,637)</b>	(155,462)
(Loss) profit for the period			<b><u>(506,110)</u></b>	<u>983,337</u>

### 4. PROFIT FROM OPERATIONS

Profit from operations for the Period has been arrived at after charging amortisation and depreciation of approximately HK\$111,529,000 (2014: HK\$99,831,000) in respect of the Group's property, plant and equipment.

## 5. TAXATION

	Six months ended	
	30 September	
	2015	2014
	(unaudited)	(unaudited)
	HK\$'000	HK\$'000
Tax charge comprises:		
Current tax		
Hong Kong Profits Tax	(119,685)	(23,967)
Macau Complementary Income Tax ("CT")	(34,172)	(46,398)
	<u>(153,857)</u>	<u>(70,365)</u>
Deferred taxation	(173,780)	(85,097)
	<u>(327,637)</u>	<u>(155,462)</u>

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.



## 6. (LOSS) EARNINGS PER SHARE

The calculation of basic and diluted (loss) earnings per share attributable to the ordinary equity holders of the Company are based on the following data:

	Six months ended 30 September	
	2015	2014
	(unaudited)	(unaudited)
	HK\$'000	HK\$'000
<b>(Loss) earnings</b>		
(Loss) earnings ((loss) profit for the period attributable to owners of the Company) for the purposes of basic and diluted (loss) earnings per share	<u>(591,701)</u>	<u>775,481</u>

	Six months ended 30 September	
	2015	2014
	(unaudited)	(unaudited)

### Number of shares

Weighted average number of ordinary shares in issue for the purpose of basic (loss) earnings per share	<b>3,674,834,329</b>	3,671,776,192
Effect of dilutive potential ordinary shares:		
Share options of the Company	–	150,358
Weighted average number of ordinary shares for the purpose of diluted (loss) earnings per share	<u><b>3,674,834,329</b></u>	<u>3,671,926,550</u>

The calculation of diluted (loss) earnings per share is based on the (loss) profit attributable to owners of the Company and the weighted average number of ordinary shares adjusted by the weighted average number of ordinary shares assumed to have been issued under the Company's share option scheme. The Company and its subsidiary, Emperor Entertainment Hotel Limited, do not have any dilutive potential ordinary share for the Period.

## 7. DIVIDENDS

	Six months ended 30 September	
	2015	2014
	(unaudited)	(unaudited)
	HK\$'000	HK\$'000
Final dividend of HK\$0.06 per share for the year ended 31 March 2015 paid during the period (year ended 31 March 2014: HK\$0.059)	<u><b>220,653</b></u>	<u>216,635</u>

In respect of the Period, the Directors have resolved to declare an interim dividend of HK\$0.045 (2014: HK\$0.05) per share to shareholders.

## **8. ADDITIONS TO INVESTMENT PROPERTIES, PROPERTY, PLANT AND EQUIPMENT AND PROPERTIES UNDER DEVELOPMENT FOR SALE**

### **Investment properties**

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

During the Period, the Group acquired investment properties for a cash consideration of HK\$1,603,478,000 (2014: HK\$263,134,000).

The fair value of the Group's investment properties at 30 September 2015 and 31 March 2015 have been arrived at on the basis of a valuation carried out by Memfus Wong Surveyors Limited, an independent firm of qualified professional property valuers not connected with the Group, in accordance with the HKIS Valuation Standards (2012 Edition) issued by Hong Kong Institute of Surveyors.

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

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

The resulting decrease (2014: increase) in fair value of investment properties of approximately HK\$1,206,567,000 (2014: HK\$617,503,000) 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\$88,908,000 and HK\$770,652,000 (2014: HK\$147,003,000 and HK\$238,872,000) respectively.

## 9. 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 2015, the Group has given corporate guarantee of HK\$941,600,000 (31 March 2015: HK\$941,600,000) to a bank in respect of banking facilities granted to Talent Charm, of which HK\$546,000,000 (31 March 2015: HK\$542,000,000) has been utilised. In the opinion of the Directors, the fair value of the guarantee is not significant.

## 10. PROPERTIES HELD FOR SALE

The properties held for sale comprise properties:

	As at	
	30 September 2015 (unaudited) <i>HK\$'000</i>	31 March 2015 (audited) <i>HK\$'000</i>
Situated in Hong Kong under:		
– long leases	1,085,623	159,478
– medium-term leases	520	42,096
	<hr/>	<hr/>
	1,086,143	201,574
Situated in the PRC and held under land use rights with terms expiring within 50 years	481	497
	<hr/>	<hr/>
	<b>1,086,624</b>	<b>202,071</b>
	<hr/> <hr/>	<hr/> <hr/>

## 11. TRADE AND OTHER RECEIVABLES

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

	As at	
	30 September 2015 (unaudited) HK\$'000	31 March 2015 (audited) HK\$'000
0 – 30 days	124,068	179,172
31 – 90 days	3,258	6,715
91 – 180 days	3,379	856
Over 180 days	12,690	13,628
	<hr/>	<hr/>
	143,395	200,371
Chips on hand	141,509	135,386
Other receivables	381,442	438,043
Deposits and prepayments	240,462	167,285
	<hr/>	<hr/>
	<b>906,808</b>	<b>941,085</b>
	<hr/> <hr/>	<hr/> <hr/>

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

No credit period were 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 terms are extended to a longer period.

Included in other receivables are amounts due from related companies of HK\$28,285,000 (as at 31 March 2015: HK\$30,625,000). These related companies are indirectly controlled by Albert Yeung Holdings Limited, being the ultimate holding company of the Company. The amounts are unsecured, interest-free and repayable within one year.

## 12. TRADE AND OTHER PAYABLES

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

	As at	
	30 September 2015 (unaudited) HK\$'000	31 March 2015 (audited) HK\$'000
0 – 90 days	29,240	29,946
91 – 180 days	181	181
Over 180 days	9	9
	<hr/>	<hr/>
	29,430	30,136
Construction payables and accruals	667,227	543,171
Other payables and accruals	275,915	266,361
Rental deposits received	282,830	251,973
Deposits received from pre-sales of properties	221,337	1,046,432
	<hr/>	<hr/>
	<b>1,476,739</b>	<b>2,138,073</b>
	<hr/> <hr/>	<hr/> <hr/>

## 13. ACQUISITIONS

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

- (a) In June 2015, the Group acquired property interests located at 25-27 Oxford Street, London, W1D 2DW, United Kingdom at a cash consideration of £35,500,000 (approximately HK\$419,646,000).
- (b) In June 2015, the Group acquired property interests located at 75-79 Lockhart Road, Wanchai, Hong Kong through acquisition of Apex Delight Holdings Limited at a cash consideration of HK\$683,000,000.
- (c) In September 2015, the Group acquired property interests located at 8-10A Mosque Street, Mid-levels, Hong Kong at a cash consideration of HK\$403,800,000.

## MANAGEMENT DISCUSSION AND ANALYSIS

The Group principally engages in property investments, property development and hospitality in the Greater China and overseas.

### FINANCIAL REVIEW

#### Overall Review

During the Period, the Group reported a significant revenue growth by 164.4% to HK\$3,733.4 million (2014: HK\$1,412.1 million) which is mainly attributable to the sales of properties. The performance of rental income from the Group's investment properties portfolio was relatively resilient, with growth of 18.2% to HK\$398.5 million (2014: HK\$337.2 million), representing 10.7% (2014: 23.9%) of total revenue. Since part of the sold units of *Upton* had been delivered to the customers during the Period, revenue from property development reached HK\$2,430.9 million (2014: Nil), representing 65.1% (2014: Nil) of total revenue. Due to a softening in demand for gaming and hospitality services in Macau, revenue from the hospitality segment was HK\$904.0 million (2014: HK\$1,074.9 million), accounting for 24.2% (2014: 76.1%) of the total revenue.

Gross profit increased to HK\$1,882.7 million (2014: HK\$1,084.4 million). Due to the recent downtrend of rental reversion of investment properties in prime locations, revaluation loss on properties during the Period was HK\$1,206.6 million, compared with the revaluation gain on properties of HK\$617.5 million in the same period last year. The total segment profit excluding revaluation loss/gain on properties increased significantly by 84.3% to HK\$1,266.9 million (2014: HK\$687.4 million). With the presence of the revaluation loss on properties, loss for the Period attributable to owners of the Company was HK\$591.7 million, compared with the profit for the period attributable to owners of the Company of HK\$775.5 million in the same period last year. Basic loss per share was HK\$0.16 (2014: basic earnings per share of HK\$0.21). The Board declared an interim dividend of HK\$0.045 per share (2014: HK\$0.05).

#### Liquidity And Financial Resources

The Group owned a key property portfolio with an area of over 5 million square feet. As at 30 September 2015, the Group's net asset value and net asset value per share amounted to HK\$24,660.8 million (31 March 2015: HK\$25,558.9 million) and HK\$6.71 per share (31 March 2015: HK\$6.96), respectively.

The Group has cash, bank balances and bank deposits amounted to HK\$3,945.0 million as at 30 September 2015 (31 March 2015: HK\$3,807.6 million). The total external borrowings (excluding payables) amounted to approximately HK\$18,007.0 million (31 March 2015: HK\$16,959.6 million) and the Group's debt to total asset ratio was 36.9% (31 March 2015: 34.6%) (measured by total external borrowings as a percentage to the total asset value of the Group). In addition to its share capital and reserves, the Group made use of cash flow generated from operations, bank borrowings, unsecured notes and unsecured loans from a related company to finance its operation. The Group's

bank borrowings were denominated in Hong Kong dollars and Renminbi (“RMB”) and their interest rates followed market rates. The Group’s bank balances and cash were also denominated in Hong Kong dollars, RMB and Macau Pataca (“MOP”). Due to the fluctuations in exchange rates over the past few months, the Group had certain exposure of foreign currency risks especially in RMB. However, the Group will closely monitor and take appropriate measures in order to mitigate the currency risks.

### **Capital Structure**

During the Period, a total of 5,769,475 share options of the Company were exercised. The number of shares of the Company was then increased by 5,769,475. The Company’s share capital and share premium were increased by approximately HK\$57,000 and HK\$11.3 million respectively, and the share option reserve of the Company was reduced by approximately HK\$1.2 million.

## **BUSINESS REVIEW**

### **Investment Property**

The Group’s investment properties primarily focus on quality street-level retail spaces and commercial buildings at prominent locations. In recent years, the Group strives to enhance the proportion of commercial buildings among its existing property investment portfolio, aiming to diversify its rental income streams and ensure the Group is in a more resilient position to withstand market volatility.

#### *Hong Kong – Retail Premises*

During the Period, the overall occupancy rate of the Group’s retail properties was over 97%, attributable to the majority of its premises being in prime locations. The Group owns many premium investment properties, with a strong focus on street level retail space at the key shopping districts in Hong Kong. Key investment properties include the retail spaces at *Nos. 8, 20, 22-24 and 50-56 Russell Street, No. 76 Percival Street and Nos. 507, 523 Lockhart Road* in Causeway Bay; *Nos. 4, 6 and 8 Canton Road, No. 81 Nathan Road, Nos. 35-37 Haiphong Road and Nos. 25-29, 43-49A 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, *Nos. 22-24 Russell Street* was leased to La Perla, an Italian luxury lingerie brand, on a whole block basis, as La Perla’s largest flagship store worldwide.

#### *Hong Kong – Office, Commercial & Residential Complexes*

In addition to the above-mentioned retail spaces, the Group’s rental income from complexes mainly includes *Emperor Group Centre, Empire Land Commercial Centre* and two commercial complexes at *No. 60 Gloucester Road* and *Nos. 75-79 Lockhard Road* in Wan Chai; a residential site at *Nos. 17-19 Yik Yam Street* in Happy Valley; an industrial complex at *Nos. 45-51 Kwok Shui Road* in Kwai Chung; and *New Media Tower* in Kwun Tong. The renovation and upgrading of the office tower of *No. 60 Gloucester Road* has been largely completed during the Period. The residential site at *Nos. 17-19 Yik Yam Street* is planned to be developed into 21-storey residential complex

with 68 units for leasing-out, with anticipated completion in 2018. During the Period, the Group completed the acquisition of *Nos. 75-79 Lockhart Road* in Wanchai. The Group also acquired *Wincome Centre* in Central, a traditional commercial area. This is a 16-storey (including basement) building comprising three storeys of retail spaces and 13 storeys of office premises, with a total gross floor area of approximately 39,000 square feet. Situated at the junction of Des Voeux Road Central and Douglas Street, it is the busiest transportation hub in Central, in close proximity to Hong Kong MTR station.

#### *Macau*

In Macau, construction work at *Nos. 71-75 Avenida do Infante D. Henrique & Nos. 514-540 Avenida da Praia Grande* was in progress. Located at the city-centre shopping spot on the Peninsula, a traditional gaming area in Macau, it will become a signature complex in the town.

#### *The PRC*

In the PRC, work was in progress during the Period on the superstructure of the prime commercial site on *Chang'an Avenue East*, Beijing. The site is set to be developed into a Grade-A office tower, with a gross floor area of approximately 1,000,000 square feet. The development will include a multi-storey retail podium, entertainment hot spots and parking facilities, and will next year become another landmark building along this prominent street of the PRC's capital city. The acquisition of this property including other costs payable relating to this property was financed by all the net proceeds from the top-up placing by the Company in 2006, bank borrowings and internal resources of the Group.

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. The Group expects that upon completion, this project will generate substantial and stable rental revenue.

#### *London*

The Group owns a seven-storey (including basement) retail and office complex at *Nos. 181-183 Oxford Street*, London. During the Period, the Group further acquired an eight-storey (including basement) retail and office complex at *Nos. 25-27 Oxford Street*, London, with a floor area of approximately 12,000 square feet. Such expansion can help to diversify the Group's property investment portfolio beyond Greater China. With premises at a prominent London shopping hub that is among the popular tourist spots for international visitors, the Group is optimistic regarding the potential rental increment and capital appreciation in the long-term.



## Property Development

There is good progress with the Group's various development projects. *Upton*, a 42-storey luxury residential tower with panoramic views of Victoria Harbour, is on schedule for completion during the Period. It has a total floor area of approximately 185,000 square feet, with 125 flats. There was an overwhelming market response, and 80.0% of the flats have been sold as at 30 September 2015. Part of its sales proceeds has been recognised during the Period.

During the Period, all of the remaining units of *The Prince Place* and part of the remaining units of *18 Upper East* were sold. Such sales proceeds has been recognised during the Period.

Another site, at *Tuen Mun Town Lot No. 436, Kwun Fat Street, Siu Lam*, Tuen Mun, with a total floor area of approximately 39,000 square feet, will be developed into 14 low-rise detached or semi-detached houses. During the Period, its superstructure work was nearly completed. The sale of completed units will commence subsequent to the Period. The related sales proceeds will be recognised in the 2016/2017 financial year.

A residential site with a sea view, at *Tuen Mun Town Lot No. 490, Tai Lam*, Tuen Mun, with a total floor area of approximately 29,000 square feet, will be developed into a luxurious low-rise development comprising a mixture of detached houses and apartments. This project is expected to be completed in mid-2018. This site, together with the site in *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 sites are also close to Harrow International School Hong Kong, the Hong Kong branch of the prestigious, UK-based Harrow School.

Another luxury residential project (in collaboration with two partners) at *Rural Building Lot No. 1198, Shouson Hill*, Hong Kong, with a total area of approximately 117,000 square feet, will be developed into 20 low-density luxury houses, with comprehensive auxiliary facilities. This development opportunity is very precious as it is in a traditional luxury residential area. The entire project is expected to be completed in 2018.

During the Period, the Group won the bid for development of a residential site at *New Kowloon Lot No. 6538, Fuk Wing Street, Sham Shui Po*, Kowloon, and undertook an urban redevelopment project with a total floor area of approximately 54,000 square feet. This is planned to be redeveloped into a 26-storey residential tower with more than 130 flats, with completion scheduled for 2018. The Group also acquired a six-storey residential building with a total floor area of approximately 14,000 square feet at *Nos. 8-10A Mosque Street, Mid-Levels*, Hong Kong. This is planned to be redeveloped into a luxury residential tower with a gross floor area of approximately 32,000 square feet in 2019.

## Hotel Operations and Related Services

*Emperor Hotels Group* has been established to cover several hotels and serviced apartments in Hong Kong and Macau, and is dedicated to the Group's ongoing efforts and comprehensive development of hotel operations. In Hong Kong, it currently covers *Emperor (Happy Valley) Hotel*, *Inn Hotel Hong Kong*, *MORI MORI Serviced Apartments* and a new hotel development project in Wanchai. In Macau, it covers *Grand Emperor Hotel* and *Inn Hotel Macau*, where income from hospitality and gaming has been consolidated with the Group.

Located in Happy Valley, *Emperor (Happy Valley) Hotel* is the Group's flagship project, with the classic beauty of European architecture and décor. It is a 26-storey hotel offering 150 guest rooms, with a gross floor area of approximately 84,000 square feet. *Golden Valley*, a restaurant offering Cantonese and Sichuan cuisine in the hotel, has been awarded Michelin one-star for the fifth consecutive year.

Located in Yau Ma Tei, Kowloon, *Inn Hotel Hong Kong* is a 30-storey hotel offering 200 guest rooms, with a gross floor area of approximately 48,000 square feet. With easy access to established shopping areas and Ladies' Market in Mong Kok, as well as Jade Market in Yau Ma Tei, it is conveniently located in a major entertainment, shopping and dining district, ensuring guests will truly experience Hong Kong as a vibrant and fascinating city.

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

Meanwhile, foundation and superstructure work at *No. 373 Queen's Road East*, Wan Chai, was in progress during the Period. With a gross floor area of approximately 115,000 square feet, this will be developed into a 29-storey hotel offering 300 guest rooms as well as leisure, dining and parking facilities. The hotel is expected to be completed in 2016. It will be a signature hotel project under *Emperor Hotels Group*, which can further enhance brand recognition in the hospitality segment.

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

*Inn Hotel Macau* is a 17-storey hotel with total gross floor area of approximately 209,000 square feet, and 287 guest rooms. Through extending coverage from the Peninsula to Taipa, the Group can fully capture the potential of Macau's hospitality market.

## OUTLOOK

The Group will continue to source quality and upscale investment properties with good potential in Greater China and also in major cities in the world, to enhance its investment property portfolio and continue to provide a significant source of recurrent rental income in the long-run. In order to leverage the potential decline of rental income from retail spaces, the Group is adopting a pro-active approach to optimise the balance between retail and non-retail premises, given that the leasing demand of commercial complexes in the key local commercial district areas remains strong. The office tower of *No. 60 Gloucester Road* has been renovated, in preparation for handover to the single tenant, on a whole office block basis, in the near future. Leveraging on its sustained high occupancies and contributions from new investment properties, the Group's rental income is expected to stay steady in the 2015/2016 financial year.

The residential market is anticipated to remain positive, given the solid demand from end-users, with ongoing growth in household formation and rising personal incomes. The Group is building a steady development projects pipeline for providing long-term contributions through the sale of residential units. *Upton*, the luxury residential sites in *Siu Lam* and *Shouson Hill*, along with the redevelopment project at *Mosque Street* once again demonstrate the Group's strategic focus on premium residential projects. The sales proceeds of the luxury low-rise houses in *Siu Lam* are expected to be reflected in the earnings of the 2016/2017 financial year. Looking ahead, the Group will continue to replenish its land bank for strengthening earnings and shareholders' value.

Supported by ongoing large-scale infrastructure construction and gradually increasing income levels, the Hong Kong economy is expected to continue growing at a moderate pace in the 2015/2016 financial year. The Group remains prudent in seeking investment opportunities to enhance shareholders' returns. The Group is constantly looking for business opportunities through property assembly, acquisition of old buildings and tenders for government land. With its management execution strength and market insight, the Group will strive to further enhance its competitive position, and aim to become a key property player in the Greater China region.

## EMPLOYEES AND REMUNERATION POLICY

The total cost incurred for staff including Directors' emoluments amounted to HK\$309.3 million during the Period (2014: HK\$299.7 million). The number of staff was 1,768 as at the end of the Period (2014: 1,706). Employee's remuneration was determined in accordance with individual's responsibilities, 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, particulars of which will be set out in the section headed "Share Options" of the interim report of the Company.

## **ASSETS PLEDGED**

As at 30 September 2015, assets with carrying value of HK\$37,237.9 million (31 March 2015: HK\$39,355.4 million) were pledged as security for banking facilities.

## **INTERIM DIVIDEND**

The Board declared an interim dividend of HK\$0.045 per share (“Interim Dividend”) for the financial year ending 31 March 2016 (2014/2015: HK\$0.05 per share) amounting to approximately HK\$165.5 million (2014/2015: HK\$183.6 million). The Interim Dividend will be payable on 17 December 2015 (Thursday) to shareholders whose names appear on the register of members of the Company on 11 December 2015 (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 10 December 2015 (Thursday) to 11 December 2015 (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 9 December 2015 (Wednesday).

## **REVIEW OF INTERIM RESULTS**

The condensed consolidated financial statements of the Group 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.

## **CORPORATE GOVERNANCE**

### **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**

During the Period, the Company had adopted its own code of conduct regarding securities transactions by Directors (“EIHL Securities Code”) on no less exacting terms than the required standards set out in Appendix 10 of the Listing Rules – Model Code for Securities Transactions by Directors of Listed Issuers (“Model Code”). 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.

We continue to comply with our policy on inside information in compliance with our obligations under the Securities and Future Ordinance and Listing Rules.

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

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

## **PUBLICATION OF THE UNAUDITED INTERIM RESULTS AND INTERIM REPORT**

The interim results announcement is published on the Stock Exchange's website (<http://www.hkexnews.hk>) and the Company's website (<http://www.EmperorInt.com>). The interim report will be dispatched to the shareholders of the Company and will be available on the websites of the Stock Exchange and the Company in due course.

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

Hong Kong, 18 November 2015

As at the date hereof, the Board comprises:

<i>Non-executive Director:</i>	Ms. Luk Siu Man, Semon
<i>Executive Directors:</i>	Mr. Wong Chi Fai Ms. Fan Man Seung, Vanessa Mr. Cheung Ping Keung
<i>Independent Non-executive Directors:</i>	Ms. Cheng Ka Yu Mr. Wong Tak Ming, Gary Mr. Chan Hon Piu