



英皇國際集團有限公司
Emperor International Holdings Limited

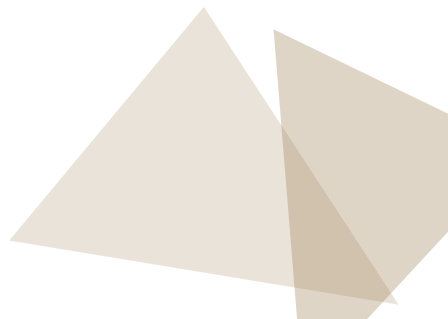
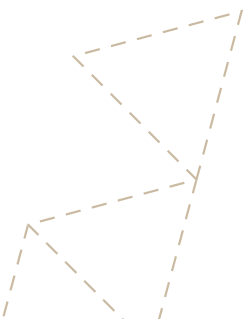
於百慕達註冊成立之有限公司 (股份代號:163)
Incorporated in Bermuda with limited liability (Stock Code:163)



2024/2025
INTERIM REPORT

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RESULTS SUMMARY

The board of directors (“**Board**” or “**Directors**”) of Emperor International Holdings Limited (“**Company**”) presents the unaudited condensed consolidated results of the Company and its subsidiaries (collectively referred to as “**Group**”) for the six months ended 30 September 2024 (“**Period**”).

	Six months ended 30 September	
	2024 HK\$'000	2023 HK\$'000
Continuing operations		
Total revenue	459,378	438,448
<i>Property development</i>	81,880	12,506
<i>Property investment</i>	377,498	425,942
Gross profit	335,116	358,963
Fair value (loss) on investment properties	(730,858)	(464,181)
(Loss) attributable to owners of the Company	(1,042,301)	(769,164)
Underlying profit attributable to owners of the Company ¹	383,558	202,342
Basic (loss) per share	HK\$(0.28)	HK\$(0.21)

¹ Represents profit attributable to owners of the Company before loss on disposal of subsidiaries, fair value changes and impairment loss and the relevant deferred taxes, as well as finance costs

MANAGEMENT DISCUSSION AND ANALYSIS

RESULTS

During the Period, the Group's total revenue from continuing operations increased to HK\$459.4 million (2023: HK\$438.4 million). Revenue from the sales of property development increased significantly by 555.2% to HK\$81.9 million (2023: HK\$12.5 million), which was mainly contributed by the sales income from **Central 8**. Rental income was HK\$377.5 million (2023: HK\$425.9 million).

Gross profit from the continuing operations was HK\$335.1 million (2023: HK\$359.0 million). Due to a fair value loss on investment properties, the Group recorded a loss attributable to the owners of the Company from the continuing operation of HK\$1,042.3 million (2023: HK\$769.2 million). Combining a loss from the discontinued operation, the Group recorded a loss attributable to the owners of the Company of HK\$3,464.6 million (2023: HK\$760.1 million). Basic loss from continuing operation was HK\$0.28 (2023: HK\$0.21) per share.

BUSINESS REVIEW

Based in Hong Kong, the Group principally engages in property development and property investment businesses. The Group develops quality residential projects in Hong Kong to drive earnings visibility, and owns and manages investment properties in prime locations in Greater China and overseas that generate solid income.

Property Sales

The Group pursues a strategy of providing quality residential properties including luxury composite buildings and low-rise detached houses, and has established a solid development pipeline. Riding on the positive investment sentiment arising from the Federal Reserve interest rate cuts subsequent to the Period, the Group accelerated the sale of its residential properties – all units of **One Jardine's Lookout** available for pre-sale were contracted, and 1 house of **No. 15 Shouson** was sold at over HK\$800.0 million.

MANAGEMENT DISCUSSION AND ANALYSIS

Pre-sale of projects under development

One Jardine's Lookout is a 27-storey residential tower in Happy Valley, offering 123 units with a project saleable area of approximately 47,400 square feet. Situated in a traditional luxury residential location on Hong Kong Island, it offers easy access to major shopping and business districts such as Causeway Bay and Wanchai, and is in close proximity to major facilities such as the Hong Kong Jockey Club, Hong Kong Sanatorium & Hospital and Hong Kong Stadium. It has been launched to the market by means of pre-sale since September 2024. With the catalyst of interest rate cuts, the pre-sale has received an overwhelming market response and recorded over-subscription. As at the date of this report ("**Latest Practicable Date**"), all units were contracted, with sales contracts totalling approximately HK\$1,000.0 million achieved.

SouthSky is a 23-storey residential and retail building, offering 110 units with a project saleable area of approximately 38,800 square feet. Located in Aberdeen town centre, it is conveniently accessed by a variety of public transport and is within the one-hour living circle of the Greater Bay Area covering Guangdong-Hong Kong and Macau. As at the Latest Practicable Date, 80 units were contracted, with sales contracts totalling over HK\$500.0 million achieved. The project is scheduled for completion in 2025.

Completed projects available for sale

Located at No. 8 Mosque Street, Mid-Levels, **Central 8** is a 29-storey (including lower ground floor) boutique residential tower, offering 99 units with studio to 2-bedroom layouts. As at 30 September 2024, 77 units were sold and 8 units were contracted. Subsequent to the Period, the remaining 14 units were all contracted. Total sale amount of the aggregate 22 contracts units mentioned above was over HK\$110.0 million.

No. 15 Shouson, located in Southern District, Hong Kong Island, is a signature luxury residential project boasting a project saleable area of approximately 97,100 square feet. The site is near Aberdeen Tunnel and a network of prestigious schools, offering 15 low-density luxury villas and complemented by comprehensive auxiliary facilities. The Group owns a 50% stake in this project. As at 30 September 2024, 5 houses were sold and 1 house was contracted at a selling price of HK\$260.0 million. Subsequent to the Period, 1 house was sold at a selling price over HK\$800.0 million, thanks to the reviving investment sentiment. As at the Latest Practicable Date, 8 houses are available for sale.

MANAGEMENT DISCUSSION AND ANALYSIS

Seaside Castle is a prime residential project at No. 9 Ching Lai Road, Tai Lam, Tuen Mun, which comprises 8 luxurious detached houses with sea views, encompassing a project saleable area of approximately 32,000 square feet. As at 30 September 2024, 4 houses were sold. As at the Latest Practicable Date, 4 houses are available for sale.

Project under development

The former buildings at **Nos. 24–30 Bonham Road**, Mid-levels, have been demolished, and the site will be redeveloped into a 27-storey residential complex with a project saleable area of approximately 91,100 square feet. It is just a 5-minute walk away from Sai Ying Pun MTR station. The redevelopment is scheduled for completion in 2026 or thereafter.

Rental Income

The Group's investment properties portfolio primarily focuses on commercial buildings and quality street-level retail spaces in prominent locations, with an aggregate gross floor area of over 2,400,000 square feet, spanning Hong Kong, Mainland China, Macau and London, resulting in a geographically balanced property portfolio. By achieving this balance, the Group can diversify its rental income streams and minimise impacts due to market volatility.

During the Period, the Group completed disposal of two industrial units in Chai Wan, Hong Kong, at an aggregate consideration of HK\$100.0 million. The Group also completed the disposal of several investment properties in Hong Kong covering commercial units, retail spaces and residential units, as well as two industrial buildings at an aggregate consideration of approximately HK\$1,142.4 million. The net proceeds of these disposals helped to enhance the Group's financial position.

MANAGEMENT DISCUSSION AND ANALYSIS

Hong Kong

Hong Kong accounts for nearly 50% of the Group's total gross floor area of investment properties that are currently for lease. As at 30 September 2024, the occupancy rate of the Group's investment properties in Hong Kong was over 90%.

The Group owns many premium offices, commercial and industrial complexes, notably **Emperor Group Centre**, **China Huarong Tower** and **GF Tower** in Wanchai; **Emperor Commercial Centre** in Central; **Emperor Hollywood Centre** in Sheung Wan. The Group also generates rental income from retail spaces in popular residential and shopping districts, notably **the pulse** in Repulse Bay and several street-level shops on Russell Street in Causeway Bay, as well as on Nathan Road, Haiphong Road and Hankow Road in Tsim Sha Tsui.

Other locations

Located in Chang'an Avenue East, Beijing, China, **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. It has attracted reputable office tenants, multiple international superior jewellery, watch, and high-quality lifestyle product brands, as well as special trendy food and beverage tenants from various countries.

With a gross floor area of approximately 29,600 square feet, **Emperor Nam Van Centre** is a multi-storey premium retail complex at the centre of Macau Peninsula. It has become a prime shopping location with a blend of shopping and lifestyle offerings, featuring a fitness centre, sportswear, cosmetic and jewellery stores.

The Group expanded its coverage from Greater China to the United Kingdom. It owns a 7-storey (including basement) retail and office building at **Nos. 181-183 Oxford Street** with a gross floor area of 20,000 square feet; a 9-storey retail and office building at **Nos. 25-27 Oxford Street** with a gross floor area of 19,300 square feet; as well as **Ampersand Building** at Nos. 111-125 Oxford Street with a gross floor area of approximately 112,500 square feet (for retail and office portions only).

MANAGEMENT DISCUSSION AND ANALYSIS

OUTLOOK

Subsequent to the Period, as a result of the Federal Reserve interest rate cut and the relaxation of the loan-to-value ratio by the Hong Kong government which has helped lower the cost of house-buying, investment sentiments of home buyers and investors have revived; and property developers have been proactively pushing ahead with sales launches, contributing to an increase in the number of transactions of both new and second-hand residential properties. The additional interest rate cut in November have helped to further boost the momentum. Plus, the New Capital Investment Entrant Scheme (“**Scheme**”) as well as talent schemes introduced by the Hong Kong government have attracted talents and their families from Mainland China and overseas, driving local housing demand. The fact that the government allows investors under the Scheme to purchase high-value residential properties to be counted as part of the aggregate investment amounts also helps to encourage the purchase of local residential properties. The Group will closely observe the market conditions, and adjust its timetable for launching development property projects as appropriate in order to seize opportunities as they arise.

On the other hand, the Hong Kong office leasing sector continues to face challenges. The narrowing of rental differentials between prime and non-prime business districts has prompted some corporations to relocate their business operations back to prime business areas. As for the retail market, the local government has been implementing initiatives to attract more tourists and boost retail spending, and it will take time for the impacts to be seen. It is expected that the office and retail leasing markets will remain competitive in the near term. The Group will continue maintaining close dialogues with its tenants, in order to promptly adjust its strategies, with an aim of achieving steady business performance.

FINANCIAL AND OTHER INFORMATION

Declaration of Special Interim Dividend by way of Distribution in Specie

During the Period, the Group declared a special interim dividend by way of distribution in specie of its shares (“**Distribution**”) in Emperor Entertainment Hotel Limited (“**Emperor E Hotel**”; Hong Kong stock code: 296). Following the completion of the Distribution, Emperor E Hotel ceased to be a subsidiary of the Group. It became a fellow subsidiary of the Group, and income from Emperor E Hotel will no longer be consolidated into the Group.

MANAGEMENT DISCUSSION AND ANALYSIS

Rights Issue and Capital Structure

On 24 September 2024, the Company issued 1,838,772,833 rights shares to its qualifying shareholders at a subscription price of HK\$0.25 per rights share on the basis of one rights share for every two shares held on the rights issue record date ("**Rights Issue**"). The gross proceeds from the Rights Issue were approximately HK\$459.7 million, and the net proceeds from the Rights Issue after deducting all relevant expenses in relation to the Rights Issue were approximately HK\$456.2 million. The Company intends to fully utilise the net proceeds from the Rights Issue for enrichment of working capital and expansion of existing property development and property investment businesses, with an aim to strengthen its financial position to prepare for future investment opportunities. As at 30 September 2024, the net proceeds from the Rights Issue has not been used and is expected to be fully utilised by 31 March 2025. Details of the Rights Issue were set out in the announcements of the Company dated 31 July 2024, 2 August 2024 and 23 September 2024 and the prospectus of the Company dated 30 August 2024.

As at 30 September 2024, the number of ordinary shares of the Company issued was 5,516,318,500 (31 March 2024: 3,677,545,667).

Liquidity and Financial Resources

Following the completion of Distribution and Rights Issue, the Group's net asset value and net asset value per share decreased to HK\$18,412.9 million (31 March 2024: HK\$21,607.9 million) and HK\$3.3 (31 March 2024: HK\$5.9) per share, respectively, as at 30 September 2024.

As at 30 September 2024, bank balances and bank deposits decreased to HK\$732.2 million (31 March 2024: HK\$1,494.3 million). The total external borrowings (excluding payables) was approximately HK\$18,239.9 million (31 March 2024: HK\$20,213.3 million).

As at 30 September 2024, the outstanding principal of the medium-term notes issued by the Group was HK\$79.9 million (31 March 2024: HK\$379.8 million), which were denominated in Hong Kong dollars and United States dollars, at a fixed rate of 4.9% per annum.

MANAGEMENT DISCUSSION AND ANALYSIS

The Group's bank balances and cash were denominated in Hong Kong dollars, Renminbi ("RMB") and Pound Sterling ("Pound"). A small portion of the Group's bank borrowings were denominated in RMB and Pound, and the Group's foreign exchange risk caused by market fluctuations in RMB and the Pound was insignificant. The Group closely monitors its overall foreign exchange exposure and will adopt appropriate measures to mitigate currency risks, if necessary.

Assets Pledged

As at 30 September 2024, assets with carrying value of HK\$32,684.4 million (31 March 2024: HK\$34,549.9 million) were pledged by the Group as security for banking facilities.

Formation of Limited Partnership Fund

During the Period, the Group's wholly-owned subsidiary, acting as general partner, entered into an agreement with limited partner(s) to form a property asset investment fund, which covers a portfolio of the Group's certain investment properties. This will help the Group to source extra working capital for its ongoing business development, enabling the Group to capitalise on its rental income. The Group will continue exploring new financing channels by identifying potential investors.

EMPLOYEES AND REMUNERATION POLICY

Following the completion of Distribution, the number of staff decreased to 305 (2023: 946) as at 30 September 2024. The total staff cost, including Directors' emoluments, was HK\$209.5 million (2023: HK\$223.1 million) during the Period. Each employee's remuneration was determined in accordance with the individual's responsibility, competence and skills, experience and performance, as well as market pay levels. Staff benefits include medical and life insurance, retirement benefits and other competitive fringe benefits.

To provide incentives or rewards to staff, the Company has adopted a share option scheme, particulars of which will be provided in the "Share Options" section of this interim report.

INTERIM DIVIDEND

The Board has resolved not to declare any interim dividend for the Period (2023: HK\$0.003 per share).

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 September 2024

	Notes	Six months ended 30 September	
		2024 (unaudited) HK\$'000	2023 (restated) (unaudited) HK\$'000
Continuing operations			
Revenue			
Contracts with customers	3(a)	81,880	12,506
Leases	3(b)	377,498	425,942
Total revenue		459,378	438,448
Cost of properties sales		(76,400)	(11,584)
Direct operating expenses in respect of leasing of investment properties		(47,862)	(67,901)
Gross profit		335,116	358,963
Other income		11,945	35,988
Fair value changes of investment properties		(730,858)	(464,181)
Other gains and losses	5	(263,789)	(86,445)
Impairment allowance recognised for trade receivables		(356)	(127)
Selling and marketing expenses		(22,867)	(14,854)
Administrative expenses		(70,719)	(77,262)
Share of result of an associate		(108)	(279)
Share of result of a joint venture		99,941	(51,151)
Loss from operations	6	(641,695)	(299,348)
Finance costs		(412,855)	(466,024)
Loss before taxation		(1,054,550)	(765,372)
Taxation credit (charge)	7	12,249	(3,792)
Loss for the period from continuing operations		(1,042,301)	(769,164)
Discontinued operation			
(Loss) profit for the period from discontinued operation		(2,520,057)	12,092
Loss for the period		(3,562,358)	(757,072)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 September 2024

	Notes	Six months ended 30 September	
		2024 (unaudited) HK\$'000	2023 (restated) (unaudited) HK\$'000
(Loss) profit for the period attributable to:			
Owners of the Company		(3,464,633)	(760,131)
Non-controlling interests		(97,725)	3,059
		(3,562,358)	(757,072)
(Loss) profit for the period attributable to owners of the Company:			
Continuing operations		(1,042,301)	(769,164)
Discontinued operation		(2,422,332)	9,033
		(3,464,633)	(760,131)
Loss per share	9		
From continuing and discontinued operations			
Basic		HK\$(0.92)	HK\$(0.21)
From continuing operations			
Basic		HK\$(0.28)	HK\$(0.21)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 September 2024

	Six months ended 30 September	
	2024 (unaudited) HK\$'000	2023 (restated) (unaudited) HK\$'000
Loss for the period	(3,562,358)	(757,072)
Other comprehensive income (expense)		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Exchange differences arising on translation of foreign operations:		
- subsidiaries	79,258	(316,114)
- an associate	559	(5,068)
Other comprehensive income (expense) for the period	79,817	(321,182)
Total comprehensive expense for the period	(3,482,541)	(1,078,254)
Total comprehensive (expense) income for the period attributable to:		
Owners of the Company	(3,384,816)	(1,081,313)
Non-controlling interests	(97,725)	3,059
	(3,482,541)	(1,078,254)
Loss and total comprehensive (expense) income for the period attributable to owners of the Company:		
- from continuing operations	(962,484)	(1,090,346)
- from discontinued operation	(2,422,332)	9,033
	(3,384,816)	(1,081,313)
Loss and total comprehensive (expense) income for the period attributable to non-controlling interests:		
- from continuing operations	-	-
- from discontinued operation	(97,725)	3,059
	(97,725)	3,059
Total comprehensive expense for the period	(3,482,541)	(1,078,254)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2024

		At 30 September 2024 (unaudited) HK\$'000	At 31 March 2024 (audited) HK\$'000
	Notes		
Non-current assets			
Investment properties	11	30,987,205	34,394,034
Property, plant and equipment	11	320,247	2,592,987
Deposits paid for acquisition of investment properties/property, plant and equipment		-	1,563
Receivables related to a development project		164,665	163,801
Right-of-use assets	12	5,102	444,978
Interest in an associate		106,550	106,099
Interest in a joint venture	13	1,253,765	1,333,859
Goodwill		1,940	1,940
Other assets		3,997	3,997
Pledged bank deposits		-	30,811
		32,843,471	39,074,069
Current assets			
Inventories		-	12,256
Properties held for sale	14	175,870	282,234
Properties under development for sale	11	4,567,064	5,163,576
Trade and other receivables	15	679,510	546,451
Taxation recoverable		3,741	4,965
Deposit in designated bank account for development properties		9,712	9,628
Pledged bank deposits		246,726	311
Short-term bank deposits		-	14,900
Bank balances and cash		732,221	1,479,449
		6,414,844	7,513,770

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2024

	Notes	At 30 September 2024 (unaudited) HK\$'000	At 31 March 2024 (audited) HK\$'000
Current liabilities			
Trade and other payables	16	695,876	916,465
Contract liabilities		164,786	3,169
Amount due to an associate		133,069	132,370
Amount due to a related company		534,849	1,502,225
Amounts due to non-controlling interests of subsidiaries		-	39,523
Taxation payable		5,279	54,890
Unsecured notes - due within one year		-	299,950
Bank borrowings - due within one year		6,261,099	6,426,360
Lease liabilities - due within one year		2,220	2,787
		7,797,178	9,377,739
Net current liabilities		(1,382,334)	(1,863,969)
Total assets less current liabilities		31,461,137	37,210,100
Non-current liabilities			
Unsecured notes - due after one year		79,893	79,893
Bank borrowings - due after one year		11,364,101	11,865,371
Lease liabilities - due after one year		3,300	30,699
Deferred taxation		1,600,925	1,686,995
		13,048,219	13,662,958
Net assets		18,412,918	23,547,142
Capital and reserves			
Share capital	17	55,163	36,775
Reserves		18,357,755	21,571,152
Equity attributable to owners of the Company		18,412,918	21,607,927
Non-controlling interests		-	1,939,215
Total equity		18,412,918	23,547,142

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2024

	Attributable to owners of the Company							Non-controlling interests	Total equity
	Share capital	Share premium	Transition reserve	Assets revaluation reserve	Other reserves	Retained profits	Total		
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 April 2024 (audited)	36,775	4,563,248	(330,701)	130,657	989,913	16,218,035	21,607,927	1,939,215	23,547,142
Loss for the period	-	-	-	-	-	(3,464,633)	(3,464,633)	(97,725)	(3,562,358)
Exchange differences arising on translation of foreign operations:									
- subsidiaries	-	-	79,258	-	-	-	79,258	-	79,258
- an associate	-	-	559	-	-	-	559	-	559
Total comprehensive income (expense) for the period	-	-	79,817	-	-	(3,464,633)	(3,384,816)	(97,725)	(3,482,541)
Issue of shares upon rights issue	18,388	437,858	-	-	-	-	456,246	-	456,246
Distribution by way of distribution in specie (Note 10)	-	-	-	-	-	(255,406)	(255,406)	(1,836,434)	(2,091,840)
2024 final dividend paid	-	-	-	-	-	(11,033)	(11,033)	(5,056)	(16,089)
At 30 September 2024 (unaudited)	55,163	5,001,106	(250,884)	130,657	989,913	12,486,963	18,412,918	-	18,412,918
At 1 April 2023 (audited)	36,775	4,563,248	(120,039)	131,577	976,762	18,298,873	23,887,196	1,921,126	25,808,322
(Loss) profit for the period	-	-	-	-	-	(760,131)	(760,131)	3,059	(757,072)
Exchange differences arising on translation of foreign operations:									
- subsidiaries	-	-	(316,114)	-	-	-	(316,114)	-	(316,114)
- an associate	-	-	(5,068)	-	-	-	(5,068)	-	(5,068)
Total comprehensive (expense) income for the period	-	-	(321,182)	-	-	(760,131)	(1,081,313)	3,059	(1,078,254)
Transfer from retained profits to legal reserve	-	-	-	-	13,138	(13,138)	-	-	-
Depreciation attributable to assets revaluation surplus	-	-	-	(460)	-	522	62	-	62
Dividend paid to owners of the Company	-	-	-	-	-	(11,033)	(11,033)	-	(11,033)
At 30 September 2023 (unaudited)	36,775	4,563,248	(441,221)	131,117	989,900	17,515,093	22,794,912	1,924,185	24,719,097

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2024

	Six months ended 30 September	
	2024 (unaudited) HK\$'000	2023 (unaudited) HK\$'000
Net cash flow from operating activities	209,628	415,840
Net cash flow from investing activities	128,035	1,925,196
Net cash flow used in financing activities	(1,089,271)	(3,609,744)
Net decrease in cash and cash equivalents	(751,608)	(1,268,708)
Cash and cash equivalents at beginning of the reporting period: Bank balances and cash	1,479,449	2,311,133
Effect of foreign exchange rate changes	4,380	(14,757)
Cash and cash equivalents at end of the reporting period	732,221	1,027,668

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

1. BASIS OF PREPARATION

The unaudited condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("**Listing Rules**") 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 2024.

1A. SIGNIFICANT EVENT IN THE CURRENT INTERIM PERIOD

On 31 July 2024, the Group declared a special interim dividend by way of distribution in specie of its shares ("**Distribution**") in Emperor Entertainment Hotel Limited ("**Emperor E Hotel**"), to the qualifying shareholders whose names appear on the register of members of the Company on 15 August 2024 ("**Qualifying Shareholders**"), on a pro-rata basis of 463 Emperor E Hotel shares for every 2,000 shares held by the Qualifying Shareholders.

As a result of cessation of the hotel and hotel related operations, the Group's hotel and hotel related revenue for the Period was reduced to nil (2023: HK\$348,841,000, representing 43.1% of total revenue). Following the completion of the Distribution, Emperor E Hotel ceased to be a subsidiary of the Group. It became a fellow subsidiary of the Group, and income from Emperor E Hotel will no longer be consolidated into the Group.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

2. PRINCIPAL ACCOUNTING POLICIES

The unaudited condensed consolidated financial statements have been prepared on the historical cost basis except for investment properties that are measured at fair values at the end of each reporting period.

Other than additional accounting policies resulting from application of 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 2024.

Application of amendments to HKFRSs

In the current interim period, the Group has applied the following amendments to HKFRSs issued by the HKICPA, for the first time, which are mandatorily effective for the annual periods beginning on or after 1 April 2024 for the preparation of the Group’s unaudited condensed consolidated financial statements:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

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

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

3. REVENUE

Continuing operations

An analysis of the Group's revenue is as follows:

(a) Contracts with customers

	Six months ended 30 September	
	2024 (unaudited) HK\$'000	2023 (restated) (unaudited) HK\$'000
Sales of properties recognised at a point in time and revenue from contracts with customers	81,880	12,506

(b) Leases

	Six months ended 30 September	
	2024 (unaudited) HK\$'000	2023 (restated) (unaudited) HK\$'000
Total revenue arising from leases:		
For operating leases:		
Lease payments that are fixed or depend on an index or a rate	375,124	419,987
Variable lease payments that do not depend on an index or a rate	2,374	5,955
	377,498	425,942

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

4. SEGMENT INFORMATION

For management purpose, the business segments of the Group are currently organised into lease of properties and properties development. Segment results represent the profit earned by or loss suffered from each segment without allocation of central administration cost, interest income, finance costs, share of result of 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.

As operating segment regarding the hotel and hotel related operations were discontinued during the Period. The segment information reported below does not include any amounts for this discontinued operation, which is described in more details in note 8.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

4. SEGMENT INFORMATION (Continued)

Business segments

For the period ended 30 September 2024	Continuing operations		
	Lease of properties HK\$'000	Properties development HK\$'000	Total HK\$'000
<i>Segment revenue and results</i>			
Segment revenue			
- from external customers	377,498	81,880	459,378
Segment results before fair value change and write-downs	320,099	(12,040)	308,059
Fair value decrement in investment properties	(730,858)	-	(730,858)
Write-downs of properties under development for sales, net	-	(271,935)	(271,935)
Write-downs of properties held for sale	-	(29,966)	(29,966)
Segment results	(410,759)	(313,941)	(724,700)
Interest income			5,728
Corporate expenses, net			(22,556)
Finance costs			(412,855)
Share of result of an associate			(108)
Share of result of a joint venture			99,941
Loss before taxation			(1,054,550)
Taxation credit			12,249
Loss for the period			(1,042,301)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

4. SEGMENT INFORMATION (Continued)

Business segments (Continued)

For the period ended 30 September 2023	Continuing operations		Total HK\$'000
	Lease of properties HK\$'000	Properties development HK\$'000	
<i>Segment revenue and results</i>			
Segment revenue			
- from external customers	425,942	12,506	438,448
Segment results before fair value change and write-downs	360,461	(7,264)	353,197
Fair value decrement in investment properties	(464,181)	-	(464,181)
Write-downs of properties under development for sales, net	-	(41,452)	(41,452)
Write-downs of properties held for sale	-	(6,538)	(6,538)
Segment results	(103,720)	(55,254)	(158,974)
Interest income			19,028
Corporate expenses, net			(107,972)
Finance costs			(466,024)
Share of result of an associate			(279)
Share of result of a joint venture			(51,151)
Loss before taxation			(765,372)
Taxation charge			(3,792)
Loss for the period			(769,164)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

5. OTHER GAINS AND LOSSES

	Six months ended 30 September	
	2024 (unaudited) HK\$'000	2023 (restated) (unaudited) HK\$'000
Continuing operations		
Net exchange gain (loss)	38,112	(38,455)
Write-downs of properties under development for sale, net (Note)	(271,935)	(41,452)
Write-downs of properties held for sale	(29,966)	(6,538)
	(263,789)	(86,445)

Note: During the Period, the Directors reviewed the net realisable value of the properties under development for sale with reference to the current market environment and recognised write-downs of HK\$271,935,000 (2023: recognised write-downs of HK\$131,907,000 and reversed previously recognised write-downs of HK\$90,455,000).

6. LOSS FROM OPERATIONS

Loss from operations for the Period has been arrived at after charging depreciation of approximately HK\$11,733,000 (2023: HK\$12,920,000) in respect of the Group's property, plant and equipment and approximately HK\$8,149,000 (2023: HK\$2,117,000) in respect of the Group's right-of-use assets.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

7. TAXATION CREDIT (CHARGE)

	Six months ended 30 September	
	2024 (unaudited) HK\$'000	2023 (restated) (unaudited) HK\$'000
Continuing operations		
Taxation credit (charge) comprises:		
Current tax		
Hong Kong Special Administrative Region ("Hong Kong") Profits Tax	(2,682)	(4,863)
United Kingdom ("UK") Income Tax	(1,269)	(5,300)
The People's Republic of China ("The PRC") Enterprise Income Tax	(547)	(643)
The PRC Withholding tax	(2,536)	(5,873)
	(7,034)	(16,679)
Overprovision in respect of prior years		
Hong Kong Profits Tax	27	7
Deferred taxation credit	19,256	12,880
	12,249	(3,792)

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

UK Income Tax is calculated at the applicable rate of 25% of the 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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

7. TAXATION CREDIT (CHARGE) (Continued)

The withholding tax represented taxation recognised in respect of interest income derived from loan to a subsidiary in the PRC and dividends to be distributed from profits earned by subsidiary in the PRC starting from 1 January 2008. The withholding tax is recognised for interest income derived from the PRC at tax rate of 10% and dividends to be distributed from profits earned by subsidiary in the PRC in accordance with the Implementation Regulation of the EIT Law of the PRC that requires withholding tax with tax rate at 5% for dividend upon the distribution of such profits to the shareholder.

8. DISCONTINUED OPERATION

During the Period, the Board has declared a special interim dividend by way of distribution in specie of its shares in Emperor E Hotel (see note 1A) and in turn result in discontinued hotel and hotel related operations. The distribution was completed on 30 August 2024. The loss for the Period from the discontinued hotel and hotel related operations is set out below. The comparative figures in the unaudited condensed consolidated statement of profit or loss and other comprehensive expenses have been restated to represent the hotel and hotel related operations as a discontinued operation.

	Period ended 30 August 2024 (unaudited) HK\$'000	Six months ended 30 September 2023 (unaudited) HK\$'000
(Loss) profit for the period of hotel and hotel related operations	(127,594)	9,033
Loss on deemed disposal of hotel and hotel related operations (Note a)	(2,294,738)	-
	(2,422,332)	9,033

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

8. DISCONTINUED OPERATION (Continued)

The results of the hotel and hotel related operations for the period from 1 April 2024 to 30 August 2024 and its preceding interim period, which has been included in the unaudited condensed consolidated statement of profit or loss and other comprehensive income were as follows:

	Period ended 30 August 2024 (unaudited) HK\$'000	Six months ended 30 September 2023 (unaudited) HK\$'000
Revenue		
Contracts with customers	321,755	348,841
Leases	21,218	22,996
Total revenue	342,973	371,837
Cost of hotel and hotel related operations	(206,694)	(238,147)
Gross profit	136,279	133,690
Other income	27,562	8,801
Fair value changes of investment properties	(263,097)	1,400
Other gain and losses	(9)	(43)
Impairment allowance reversed for trade receivables	590	-
Selling and marketing expenses	(66,916)	(63,374)
Administrative expenses	(55,766)	(60,213)
Finance costs	(452)	(601)
(Loss) profit before taxation	(221,809)	19,660
Taxation charge	(3,510)	(7,568)
(Loss) profit after taxation	(225,319)	12,092
Non-controlling interests	97,725	(3,059)
(Loss) profit attributable to owners of the Company	(127,594)	9,033

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

8. DISCONTINUED OPERATION (Continued)

Notes:

- a. Loss on deemed disposal of hotel and hotel related operations as a result of distribution in specie of Emperor E Hotel shares on 30 August 2024:

	HK\$'000
<i>Net outflow of cash and cash equivalents:</i>	
Cash consideration	–
Bank balances and cash disposed of	(208,151)
Net outflow of cash and cash equivalents	(208,151)
	HK\$'000
<i>The net assets at the date of distribution in specie of Emperor E Hotel shares:</i>	
Investment properties	1,914,600
Property, plant and equipment	2,217,660
Right-of-use assets	431,727
Pledged bank deposits	31,767
Deposits for acquisition of property, plant and equipment	6,005
Inventories	11,794
Trade and other receivables	74,825
Bank balances and cash	208,151
Trade and other payables	(300,704)
Dividend payable	(17,827)
Taxation payable	(53,718)
Lease liabilities	(26,238)
Amounts due to non-controlling interests	(39,523)
Deferred taxation	(71,941)
	4,386,578
Non-controlling interests	(1,836,434)
	2,550,144
	HK\$'000
<i>Loss on discontinued operation:</i>	
Dividend in specie of Emperor E Hotel shares	(Note d) 255,406
Net assets disposed of	(2,550,144)
	(2,294,738)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

8. DISCONTINUED OPERATION (Continued)

Notes: (Continued)

- b. (Loss) profit before taxation has been arrived at after charging/(crediting):

	Period ended 30 August 2024 (unaudited) HK\$'000	Six months ended 30 September 2023 (unaudited) HK\$'000
Depreciation of property, plant and equipment	47,095	61,659
Depreciation of right-of-use assets	7,093	8,512
(Gain) loss on disposal of property, plant and equipment	(19,879)	36

- c. Cash flows from hotel and hotel related operations:

	Period ended 30 August 2024 (unaudited) HK\$'000	Six months ended 30 September 2023 (unaudited) HK\$'000
Net cash from operating activities	71,891	50,214
Net cash from (used in) investment activities	37,573	(97,028)
Net cash used in financing activities	(1,103)	(1,078)

- d. Dividend in specie of Emperor E Hotel shares:

Number of Emperor E Hotel shares held by the Group	851,353,645
Five days (26 August 2024 to 30 August 2024) average price of Emperor E Hotel shares	HK\$0.30
	HK\$255,406,094

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

9. LOSS PER SHARE

From continuing and discontinued operations

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

	Six months ended 30 September	
	2024 (unaudited) HK\$'000	2023 (unaudited) HK\$'000
Loss		
Loss (loss for the period attributable to owners of the Company) for the purpose of basic loss per share	(3,464,633)	(760,131)

	Six months ended 30 September	
	2024 (unaudited)	2023 (unaudited)
Number of shares		
Weighted average number of ordinary shares in issue for the purpose of basic loss per share	3,747,881,240	3,677,545,667

The weighted average number of ordinary shares for the purpose of basic earnings per share has been adjusted for Rights Issue on 24 September 2024.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

9. LOSS PER SHARE (Continued)

From continuing operations

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

	Six months ended 30 September	
	2024 (unaudited) HK\$'000	2023 (restated) (unaudited) HK\$'000
Loss figures are calculated as follow:		
Loss for the period attributable to owners of the Company	(3,464,633)	(760,131)
Less: (loss) profit for the period from discontinued operation	(2,422,332)	9,033
Loss for the purpose of calculating basic loss per share from continuing operations	(1,042,301)	(769,164)

From discontinued operation

Basic loss per share from discontinued operation is HK\$0.64 per share (2023: earnings per share of HK\$0.003 per share), based on the loss for the Period from discontinued operation of HK\$2,422,332,000 (2023: profit from discontinued operation of HK\$9,033,000) and the denominators detailed above for basic loss per share.

Diluted loss per share from continuing and discontinued operations are not presented as there were no dilutive potential ordinary share for both periods.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

10. DIVIDEND

	Six months ended 30 September	
	2024 (unaudited) HK\$'000	2023 (unaudited) HK\$'000
Final dividend of HK\$0.003 per share for the year ended 31 March 2024 paid during the Period (year ended 31 March 2023: HK\$0.003 per share paid during the period)	11,033	11,033
Special interim dividend by way of distribution in specie (<i>Note</i>)	255,406	–
	266,439	11,033

Note: On 31 July 2024, the Board has declared a special interim dividend by way of distribution in specie of its shares in Emperor E Hotel to the Qualifying Shareholders. The distribution was made by way of allocating 463 Emperor E Hotel shares for every 2,000 shares held by the Qualifying Shareholders.

The Board has resolved not to declare any interim dividend (2023: declared HK\$0.003 per share) for the Period.

11. 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 or for capital appreciation purposes are measured using the fair value model and are classified and accounted for as investment properties.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

11. ADDITIONS TO INVESTMENT PROPERTIES, PROPERTY, PLANT AND EQUIPMENT AND PROPERTIES UNDER DEVELOPMENT FOR SALE (Continued)

Investment properties (Continued)

During the Period, the Group acquired investment properties for a consideration of HK\$10,341,000 (2023: HK\$3,098,000).

The fair values of the Group's investment properties at 30 September 2024 have been arrived at on the basis of a valuation carried out on those dates by Knight Frank Petty Limited and Vincorn Consulting and Appraisal Limited (31 March 2024: Colliers International (Hong Kong) Limited, Savills (Macau) Limited and Vincorn Consulting and Appraisal Limited), independent firms of qualified professional property valuers (the "Valuers") not connected with the Group, in accordance with the HKIS Valuation Standards 2020 issued by Hong Kong Institute of Surveyors or International Valuation Standards 2022 issued by the Royal Institution of Chartered Surveyors.

For completed investment properties, the valuations have been arrived at with reference to market evidence of recent transaction prices for similar properties or 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 specifically 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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

11. ADDITIONS TO INVESTMENT PROPERTIES, PROPERTY, PLANT AND EQUIPMENT AND PROPERTIES UNDER DEVELOPMENT FOR SALE (Continued)

Investment properties (Continued)

The resulting decrease of fair value of investment properties of approximately HK\$730,858,000 (2023: HK\$464,181,000) 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 or incurred additional costs on property, plant and equipment and properties under development for sale amounting to approximately HK\$4,459,000 and HK\$223,333,000 (2023: HK\$2,745,000 and HK\$185,021,000) respectively.

12. MOVEMENTS OF RIGHT-OF-USE ASSETS

	Leasehold lands HK\$'000	Land and buildings HK\$'000	Total HK\$'000
Carrying value			
At 1 April 2024 (audited)	438,606	6,372	444,978
Disposal of subsidiaries	(431,691)	(36)	(431,727)
Depreciation provided for the Period	(6,915)	(1,234)	(8,149)
At 30 September 2024 (unaudited)	-	5,102	5,102

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

13. INTEREST IN A JOINT VENTURE

Interest in a joint venture represents interest in Castle Horizon Holdings Limited (“**Castle Horizon**”) in which the Group holds 50% equity interest. All decisions about the relevant activities require the unanimous consent of all the joint venture partners sharing control. Castle Horizon holds 100% interest in Superb Land Limited and Summer Estate Enterprises Limited together with their subsidiaries, being property holding companies of a development project located at No.15 Shouson Hill Road West, Hong Kong.

As at 30 September 2024, the Group has given a corporate guarantee of HK\$1,165,000,000 (31 March 2024: HK\$1,165,000,000) to a bank in respect of banking facilities granted to Talent Charm Corporation Limited, a subsidiary of Superb Land Limited, of which HK\$402,923,000 (31 March 2024: HK\$719,892,000) has been utilised. In the opinion of the Directors, the fair value of the financial guarantee is not significant.

14. PROPERTIES HELD FOR SALE

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

	At 30 September 2024 (unaudited) HK\$'000	At 31 March 2024 (audited) HK\$'000
Hong Kong	175,429	281,796
The PRC	441	438
	175,870	282,234

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

15. TRADE AND OTHER RECEIVABLES

An aging analysis of the Group's trade receivables (net of impairment allowance) 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 2024 (unaudited) HK\$'000	At 31 March 2024 (audited) HK\$'000
0-30 days	35,772	43,555
31-90 days	-	2,650
91-180 days	-	15
Over 180 days	-	12,955
	35,772	59,175
Other receivables	480,873	245,540
Deposits and prepayments	162,865	241,736
	679,510	546,451

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.

As at 30 September 2024, included in other receivables are amounts due from related companies of HK\$229,133,000 (31 March 2024: HK\$39,746,000). These related companies are indirectly controlled by private discretionary trusts which are founded by Dr. Yeung Sau Shing, Albert ("Dr. Yeung"), a deemed substantial shareholder of the Company. The amounts are unsecured, interest-free and repayable on demand.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

16. TRADE AND OTHER PAYABLES

An aging 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 2024 (unaudited) HK\$'000	At 31 March 2024 (audited) HK\$'000
0-90 days	8,799	26,264
91-180 days	776	2
	9,575	26,266
Amount due to a shareholder of an associate (<i>Note</i>)	1,316	1,309
Construction payables and accruals	223,522	277,725
Rental deposits received	362,953	397,734
Other payables and accruals	98,510	213,431
	695,876	916,465

Note: The amount due to a shareholder of an associate is unsecured, interest-free and repayable on demand.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

17. SHARE CAPITAL

	Number of shares	Share Capital HK\$'000
THE COMPANY		
Ordinary shares of HK\$0.01 each		
Authorised:		
At 1 April 2023, 31 March 2024 and 30 September 2024	500,000,000,000	5,000,000
Issued and fully paid:		
At 1 April 2023, 31 March 2024	3,677,545,667	36,775
Issue shares upon Rights Issue (<i>Note</i>)	1,838,772,833	18,388
At 30 September 2024	5,516,318,500	55,163

Note: On 31 July 2024, the Board announced a Rights Issue on the basis of one rights share for every 2 existing shares held by shareholders of the Company at a subscription price of HK\$0.25 per rights share. The Rights Issue was completed and 1,838,772,833 ordinary shares were issued on 24 September 2024. Details of the Rights Issue was disclosed in the prospectus of the Company dated 30 August 2024.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

18. DISPOSAL OF SUBSIDIARIES

During the six months period ended 30 September 2024, the Group had disposed of the following subsidiaries:

On 19 July 2024, Emperor Property Investment Limited (“**EPIL**”) entered into a sale and purchase agreement to dispose of the entire equity interest in Accurate Choice Developments Limited and its subsidiaries (“**Accurate Choice Group**”), indirect wholly-owned subsidiaries of the Company, which held properties covering various locations in Hong Kong, and all loan due by Accurate Choice Group to EPIL to a company indirectly controlled by a private discretionary trust which is founded by Dr. Yeung at a total adjusted consideration of approximately HK\$1,142,352,000. The disposal was completed on 17 September 2024.

An analysis of the net inflow of cash and cash equivalents in respect of the disposal of Accurate Choice Group was as follows:

	HK\$'000
Cash consideration received	94,040
Bank balances and cash disposed of	(1,216)
Net inflow of cash and cash equivalents in respect of the disposal of subsidiaries	92,824

The net assets (liabilities) of Accurate Choice Group at the date of disposal were as follows:

	HK\$'000
Investment properties	1,142,800
Other receivables, deposits and prepayments	23,414
Bank balances and cash	1,216
Other payables and accrued charges	(8,273)
Taxation payable	(5)
Bank borrowings	(13,110)
Deferred taxation	(3,690)
	1,142,352

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

18. DISPOSAL OF SUBSIDIARIES (Continued)

Gain or loss on disposal is calculated as follows:

	HK\$'000
Cash consideration received	94,040
Settled through current account with a related company	1,048,312
Net assets disposed of	(1,142,352)
	-

During the six months period ended 30 September 2023, the Group had disposed of the following subsidiaries:

On 3 July 2023, EPIL entered into a sale and purchase agreement to dispose of the entire equity interest in Joybridge Services Limited and its subsidiary ("**Joybridge Group**"), indirect wholly-owned subsidiaries of the Company, which holds a shopping mall located at No. 560 King's Road, Hong Kong, and all loan due by Joybridge Group to EPIL to a company indirectly controlled by a private discretionary trust which is founded by Dr. Yeung at a total adjusted consideration of approximately HK\$1,944,215,000. The disposal was completed on 22 September 2023.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

18. DISPOSAL OF SUBSIDIARIES (Continued)

An analysis of the net inflow of cash and cash equivalents in respect of the disposal of Joybridge Group was as follows:

	HK\$'000
Cash consideration received	1,944,215
Bank balances and cash disposed of	(1,050)
Net inflow of cash and cash equivalents in respect of the disposal of subsidiaries	<u>1,943,165</u>

The net assets (liabilities) of Joybridge Group at the date of disposal were as follows:

	HK\$'000
Investment properties	2,000,000
Other receivables, deposits and prepayments	3,620
Bank balances and cash	1,050
Other payables and accrued charges	(34,749)
Deferred taxation	(25,706)
	<u>1,944,215</u>

Gain or loss on disposal is calculated as follows:

	HK\$'000
Consideration received	1,944,215
Net assets disposed of	(1,944,215)
	<u>-</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

19. RELATED PARTY TRANSACTIONS

- (a) Other than disclosed in notes 13, 15, 16 and 18, the Group also had the following significant transactions with related parties during both periods:

	Six months ended 30 September	
	2024	2023
	(unaudited) HK\$'000	(unaudited) HK\$'000
Financial services expenses to related companies	1,845	1,014
Interest income from a joint venture	-	12,613
Interest expenses to a related company	47,309	26,631
Purchase of merchandising goods from related companies	1,178	169
Rental income from related companies	53,272	55,286
Secretarial fee to a related company	893	940
Share of administrative expenses by related companies	50,066	47,473

- (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	
	2024	2023
	(unaudited) HK\$'000	(unaudited) HK\$'000
Fees	976	1,080
Salaries and other short term benefit	2,639	7,400
	3,615	8,480

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

19. RELATED PARTY TRANSACTIONS (Continued)

(c) Amounts due to related parties

	At 30 September 2024 (unaudited) HK\$'000	At 31 March 2024 (audited) HK\$'000
Amounts due to non-controlling interests of subsidiaries	-	39,523
Amount due to a related company	534,849	1,502,225

Related companies are companies (i) controlled by relevant private discretionary trusts of which Dr. Yeung is the founder and settlor and Mr. Yeung Ching Loong, Alexander ("Mr. Alex Yeung") is one of the eligible beneficiaries; or (ii) controlled by a Director.

20. CAPITAL COMMITMENTS

	At 30 September 2024 (unaudited) HK\$'000	At 31 March 2024 (audited) HK\$'000
Contracted for but not provided in the consolidated financial statements, net of deposits paid, in respect of:		
- investment properties	33,902	40,195
- property, plant and equipment	-	2,522
- properties under development for sale	709,983	878,885
	743,885	921,602

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

21. 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 2024 (unaudited) HK\$'000	At 31 March 2024 (audited) HK\$'000
Investment properties	28,238,658	29,200,308
Properties under development for sale	3,900,000	4,524,390
Buildings, including relevant leasehold land in Hong Kong	299,050	304,246
Hotel property	-	226,268
Right-of-use assets	-	230,207
Bank deposits	246,726	30,811
Others (Note)	-	33,639
	32,684,434	34,549,869

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

As at 31 March 2024, the Group also pledged a bank deposit of HK\$311,000 (30 September 2024: Nil) to a bank to secure for the use of ferry ticket equipment provided by a third party to the Group.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SECURITIES

As at 30 September 2024, the following Directors and chief executives of the Company ("**Chief Executives**") 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 corporations (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 of Hong Kong Limited ("**Stock Exchange**") pursuant to the Model Code for Securities Transactions by Directors adopted by the Company ("**EIHL Securities Code**"):

(A) LONG POSITION INTERESTS IN THE COMPANY

Ordinary shares of HK\$0.01 each of the Company ("**Shares**")

Name of Directors	Capacity/ Nature of interests	Number of Shares interested	Approximate % of issued voting Shares
Ms. Luk Siu Man, Semon (" Ms. Semon Luk ")	Interest of spouse	4,121,416,834 (<i>Note</i>)	74.71
Mr. Alex Yeung	Eligible beneficiary of a private discretionary trust	4,121,416,834 (<i>Note</i>)	74.71
Ms. Fan Man Seung, Vanessa (" Ms. Vanessa Fan ")	Beneficial owner	15,750,000	0.29

Note:

These Shares were held by Emperor International Group Holdings Limited ("**Emperor International Group Holdings**"), a wholly-owned subsidiary of Albert Yeung Holdings Limited ("**AY Holdings**"). AY Holdings was held by First Trust Services AG ("**First Trust Services**") in trust for a private discretionary trust set up by Dr. Yeung. Dr. Yeung, as founder of the private discretionary trust, had deemed interests in the said Shares held by Emperor International Group Holdings. By virtue of being the spouse of Dr. Yeung, Ms. Semon Luk had deemed interests in such Shares whereas Mr. Alex Yeung also had deemed interests in the same Shares by virtue of being one of the eligible beneficiaries of such private discretionary trust.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SECURITIES

(B) LONG POSITION INTERESTS IN ASSOCIATED CORPORATIONS OF THE COMPANY

Ordinary shares

Name of Directors	Name of associated corporations	Capacity/Nature of interests	Number of shares interested	Approximate % of issued voting shares
Ms. Semon Luk	Emperor E Hotel	Interest of spouse	636,075,041 (Note)	53.52
	Emperor Watch & Jewellery Limited ("Emperor W&J")	-Ditto-	4,298,630,000 (Note)	63.41
	Emperor Culture Group Limited ("Emperor Culture")	-Ditto-	2,371,313,094 (Note)	73.80
	Ulferts International Limited ("Ulferts")	-Ditto-	600,000,000 (Note)	75.00
	New Media Lab Limited ("New Media Lab")	-Ditto-	315,000,000 (Note)	52.50
Mr. Alex Yeung	Emperor E Hotel	Eligible beneficiary of a private discretionary trust	636,075,041 (Note)	53.52
	Emperor W&J	-Ditto-	4,298,630,000 (Note)	63.41
	Emperor Culture	-Ditto-	2,371,313,094 (Note)	73.80
	Ulferts	-Ditto-	600,000,000 (Note)	75.00
	New Media Lab	-Ditto-	315,000,000 (Note)	52.50
Ms. Vanessa Fan	Emperor E Hotel	Beneficial owner	2,430,750	0.20

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SECURITIES

Note:

Emperor E Hotel, Emperor W&J, Emperor Culture, Ulferts and New Media Lab are companies with their shares listed on the Stock Exchange. These shares were ultimately owned by respective private discretionary trusts which were also founded by Dr. Yeung. By virtue of being the spouse of Dr. Yeung, Ms. Semon Luk had deemed interests in such shares whereas Mr. Alex Yeung also had deemed interests in the same shares by virtue of being one of the eligible beneficiaries of such private discretionary trusts.

Save as disclosed above, as at 30 September 2024, none of the Directors nor Chief Executives had any interests or short positions in any shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO).

OTHER PERSONS' INTERESTS IN SHARES AND UNDERLYING SHARES

So far as is known to any Directors or Chief Executives, as at 30 September 2024, the persons or corporations (other than Directors or Chief Executives) 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") were as follows:

LONG POSITION IN THE SHARES

Name of Shareholders	Capacity/Nature of interests	Number of Shares interested	Approximate % of issued voting Shares
AY Holdings	Interest in a controlled corporation	4,121,416,834	74.71
First Trust Services	Trustee of a private discretionary trust	4,121,416,834	74.71
Dr. Yeung	Founder of a private discretionary trust	4,121,416,834	74.71

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

Save as disclosed above, as at 30 September 2024, the Directors or Chief Executives were not aware of any other person or corporation (other than the Directors and Chief Executives) who had, or were deemed or taken to have, any interests or short positions in any Shares or underlying Shares as recorded in the DI Register.

CORPORATE GOVERNANCE AND OTHER INFORMATION

SHARE OPTIONS

The Company has adopted a share option scheme on 19 September 2023 (“**Share Option Scheme**”) to enable the Group to attract, retain and motivate talented participants to strive for future developments and expansion of the Group. No share options have been granted thereunder since its adoption. The number of options available for grant under the scheme mandate limit and the service provider sublimit under the Share Option Scheme were 367,754,566 and 183,877,283 respectively at the beginning and the end of the Period.

CORPORATE GOVERNANCE CODE

The Company has complied throughout the Period with all the code provisions of Corporate Governance Code as set out in Appendix C1 to the Listing Rules.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted EIH Security Code as its own code of conduct regarding securities transactions by Directors on no less exacting terms than the required standards as set out in Appendix C3 to the Listing Rules regarding the 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 had complied with the required standard of dealings as set out in the EIH Security 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 throughout the Period.

CORPORATE GOVERNANCE AND OTHER INFORMATION

CHANGES IN INFORMATION OF DIRECTORS

Save as those information set out in the announcements of the Company dated 24 June 2024, 1 August 2024 and 20 August 2024 regarding, inter alia, the change of independent non-executive Directors and members of Board committees and retirement of a non-executive Director, the changes in Directors' information since the date of the 2023/2024 annual report of the Company which are required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules are set out below:

- Mr. Alex Yeung has been appointed as (i) chairman of Hong Kong United Youth Exchange Foundation with effect from 1 July 2024; (ii) board member of Hong Kong Ocean Park Corporation with effect from 1 July 2024; and (iii) Acting Senior Asst. Commissioner (Youth) of Civil Aid Service of Hong Kong with effect from 1 October 2024.
- Ms. Kwan Shin Luen, Susanna retired from the position of an independent non-executive director of Emperor E Hotel with effect from 20 August 2024.

REVIEW OF INTERIM REPORT

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

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, 27 November 2024

CORPORATE GOVERNANCE AND OTHER INFORMATION

As at the date of this report, the Board comprises:

Non-executive Director:

Ms. Luk Siu Man, Semon

Executive Directors:

Mr. Yeung Ching Loong, Alexander
Ms. Fan Man Seung, Vanessa
Mr. Wong Chi Fai

Independent Non-executive Directors:

Mr. Chu Kar Wing
Mr. Poon Yan Wai
Ms. Kwan Shin Luen, Susanna