



英皇集團(國際)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)

A collage of modern architectural structures. The top part shows a building with a complex, geometric, golden-brown facade. The middle part features a blue glass skyscraper and a red building with a climbing wall. The bottom part shows a modern building with a glass facade and a green roof.

**INTERIM  
REPORT  
2021/2022**

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## RESULTS SNAPSHOTS

The board of directors (the “**Board**” or “**Directors**”) of Emperor International Holdings Limited (the “**Company**”) announces the unaudited consolidated results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the six months ended 30 September 2021 (the “**Period**”).

- Increase in Total Revenue – mainly contributed by the sales of residential units of **Central 8**; the total revenue increased by 118.5% to HK\$1,392.7 million (2020: HK\$637.5 million) during the Period
- Turnaround Achieved – with a surge in total revenue and the recognition of a fair value gain of property investment of HK\$197.9 million (2020: fair value loss of HK\$981.8 million), a net profit of HK\$233.2 million (2020: net loss of HK\$990.2 million) is recorded, indicating a turnaround during the Period
- Additional Cash Reserve for the Group – the disposal of New Media Tower, and unifying the hotel and hotel related operations into Emperor Entertainment Hotel Limited (“Emperor E Hotel”; Hong Kong stock code: 296), a subsidiary of the Group, during the Period, have enabled the Group to retain high flexibility and unlock reserve for future investment opportunities in the future
- Low Borrowing Costs – the Group’s average borrowing cost during the Period was lowered to 2.2% (2020: 2.9%) per annum, which comprised of bonds, various bank loans and other borrowings
- Ongoing Distribution of Dividends – the Group has continued to distribute dividends in different economic cycles. Combining an interim dividend of HK\$0.015 (2020: HK\$0.012) per share and the special dividend of HK\$0.01 per share which was distributed in June 2021, the total dividends relevant to the Period amounted to HK\$0.025 (2020: HK\$0.012) per share, maintaining sustainable rewards for shareholders

# MANAGEMENT DISCUSSION AND ANALYSIS

## RESULTS

During the Period, despite the increasing number of Covid-19 cases in many countries, travel restrictions within Greater China were relaxed as the pandemic was largely contained, creating a favourable condition for the restoration of consumption confidence. However, the financial crises of some mainland Chinese developers have hindered the pace of economic recovery and leading to concerns arising among investors regarding shaky stock or bond markets and an uncertain mainland China property market, thereby impairing investment sentiment.

The Group's total revenue increased by 118.5% to HK\$1,392.7 million (2020: HK\$637.5 million) during the Period. Although the leasing market has been picking up, it is yet to return to the previous level; hence the Group's rental income inevitably decreased slightly to HK\$440.5 million (2020: HK\$447.6 million), representing 31.6% (2020: 70.2%) of total revenue.

Revenue from the sales of property developments surged to HK\$731.7 million (2020: HK\$82.1 million), which was mainly contributed by the sales income from **Central 8**, accounting for 52.5% (2020: 12.9%) of the total revenue.

With the relaxation of travel restrictions between Macau and mainland China, and in turn the increase in Macau's gross gaming revenue, revenue from the hospitality segment increased by 104.5% to HK\$220.5 million (2020: HK\$107.8 million), which accounted for 15.9% (2020: 16.9%) of the total revenue.

Gross profit increased by 45.9% to HK\$409.2 million (2020: HK\$280.4 million). With the increase in total revenue and the recognition of a revaluation gain of the Group's investment properties of HK\$197.9 million (2020: loss of HK\$981.8 million), net profit for the Period attributable to the owners of the Company was HK\$233.2 million (2020: net loss of HK\$990.2 million), indicating a turnaround during the Period. Basic earnings per share was HK\$0.06 (2020: basic loss per share of HK\$0.27). The Board has resolved to declare an interim dividend of HK\$0.015 (2020: HK\$0.012) per share. Together with the special dividend of HK\$0.01 per share which was distributed in June 2021, the total dividends relevant to the Period was HK\$0.025 per share.

## BUSINESS REVIEW

Based in Hong Kong, the Group principally engages in property investment and property development businesses; and operates a hospitality business via its subsidiary, Emperor E Hotel. The Group's property portfolio covers a total area of over 5,700,000 square feet in Greater China and the United Kingdom.

# MANAGEMENT DISCUSSION AND ANALYSIS

## 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 4,200,000 square feet. In recent years, the Group has strived to further develop beyond its origins, notably by expanding its coverage from Greater China to the United Kingdom, enabling it to possess a geographically balanced property portfolio. By doing so, the Group can diversify its rental income streams and minimise impacts due to market volatility.

## Hong Kong

Hong Kong accounted for more than 50% of the Group's total gross floor area of investment properties currently for lease. As at 30 September 2021, the occupancy rate of the Group's investment properties in Hong Kong was around 90%.

The Group owns numerous premium office, commercial and industrial complexes which mainly include **Emperor Group Centre** and **China Huarong Tower** in Wan Chai; **Emperor Commercial Centre** in Central; **CentreHollywood** in Sheung Wan; **No. 4 Kin Fat Lane** and **Bhotai Industrial Building & Shan Ling Industrial Building** in Tuen Mun.

The Group continually strives to enhance the value and maximise the potential rental income of its premises by undertaking redevelopment programme. The project at **No. 81 Lockhart Road**, Wan Chai, was successfully transformed into a Grade-A office building with a gross floor area of approximately 96,000 square feet. Occupation permit has been obtained subsequent to the Period and is now in the process of pre-leasing. The redevelopment will create a vibrant building in the heart of Wan Chai – one of the core commercial districts on Hong Kong Island – and presents significant value-creation opportunities to the Group.

The Group also generated rental income from numerous retail spaces in popular residential and shopping districts. Key investment properties include **the pulse** in Repulse Bay; **Fitfort Shopping Arcade** in North Point; **retail shops of Fairview Height** at Mid-levels; **retail shops at Level 3, New Town Commercial Arcade** in Tuen Mun; **Nos. 8, 20, 22-24 and 50-56 Russell Street** and **No. 76 Percival Street** in Causeway Bay; **Nos. 81, 83 Nathan Road**, **Nos. 35-37 Haiphong Road** and **Nos. 25-29 Hankow Road** in Tsim Sha Tsui.

# MANAGEMENT DISCUSSION AND ANALYSIS

During the Period, **New Media Tower** was disposed of (via the relevant indirect wholly-owned subsidiaries of the Company to an independent third party) at an agreed value of HK\$508.0 million. For the details of this disposal, please refer to the announcements of the Company dated 21 April 2021 and 23 April 2021. Subsequent to the Period, **Topy Tower** was proposed to dispose of at a consideration of HK\$585.0 million. These disposals will further enhance the Group's financial position.

## *Mainland China*

Located in Chang'an Avenue East, Beijing, **Emperor Group Centre Beijing** is a 28-storey (excluding 3-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 becomes an important part of Yong'anli CBD and marked a major milestone for the Group in developing upscale significant commercial projects in mainland China. It has therefore 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 different countries. **Emperor Group Centre Beijing** gives full play to advanced structural systems, intelligent technology, and energy saving technology to create a new commercial image with a balance between environment and urban economic development.

## *Macau*

With a gross floor area of approximately 30,000 square feet, **Emperor Nam Van Centre** is a multi-storey premium retail complex on the Macau Peninsula. Located at the centre of Macau Peninsula's gaming district, **Emperor Nam Van Centre** has become a prime shopping location with a blend of shopping and lifestyle offerings, featuring a department store, sportswear outlet and jewellery store.

## *London*

The Group owns a 7-storey (including basement) retail and office complex at **Nos. 181-183** as well as **Ampersand Building** at **Nos. 111-125** on **Oxford Street, London**. **Ampersand Building** is an 8-storey (including basement) composite building comprising retail spaces, office premises and apartments under lease with a gross floor area of approximately 113,000 square feet (for retail and office portions only). Located in the prime retail and vibrant SOHO office area of London's West End, it is also in close proximity to the Tottenham Court Road Crossrail development, thereby enjoying significant pedestrian traffic and excellent accessibility.

## MANAGEMENT DISCUSSION AND ANALYSIS

The redevelopment project at **Nos. 25-27 Oxford Street** was completed in early 2021 and is now recruiting tenants. Occupying a prominent commercial and shopping location in London that is popular with international visitors, the site has been redeveloped into a 9-storey retail and office building with a gross floor area of approximately 19,000 square feet. The project entailed restoring the building's historic street-front facades.

### Property Sales

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

### Projects launched 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. Adjacent to SOHO area and Lan Kwai Fong, it is in close proximity to the Central-Mid-Levels Escalator, with convenient access to the central business district. Occupation permit has been obtained. As at 30 September 2021, 58 units were contracted with an average selling price of over HK\$30,000 per square feet, amongst which 56 units were handed over, and the relevant sales amount has been recognised during the Period. The remaining units are currently available for sale.

**Seaside Castle** is a prime residential project located at No. 9 Ching Lai Road, Tai Lam, Tuen Mun which comprises 8 luxurious detached houses with sea views, encompassing a gross floor area of approximately 29,000 square feet. With close proximity to new transportation infrastructure such as Hong Kong-Shenzhen Western Corridor and the Hong Kong-Zhuhai-Macau Bridge, the project has convenient access to the cities in the Greater Bay Area. It is also close to the prestigious Harrow International School. The project has been completed. As at 30 September 2021, 1 house was contracted, and the relevant sales amount will be recognised subsequent to the Period. The remaining houses will be launched to the market according to the market condition.

# MANAGEMENT DISCUSSION AND ANALYSIS

## *Projects to be launched soon*

The project located at **No. 15 Shouson Hill Road West**, Southern District, Hong Kong Island is a signature luxury residential project which is 40% owned by the Group, boasting a gross floor area of approximately 88,000 square feet. In proximity to Aberdeen Tunnel and a network of prestigious schools, the site has been developed into 15 low-density luxury villas, complemented by comprehensive auxiliary facilities. The project has been completed and landscape improvement works are in progress. The project will soon be launched to the market.

## *Other projects under development*

With the successful extension of MTR to Kennedy Town, it becomes a popular urban area in Hong Kong Island. The site at **Nos. 24-26A, Davis Street**, Kennedy Town, will be redeveloped into a 22-storey residential and retail tower. It is planned to be completed in 2022 and the pre-sale is expected to be launched in 2022.

The site at **Nos. 20-26 Old Bailey Street & No. 11 Chancery Lane**, Central, is planned for redevelopment into a 26-storey boutique luxury residential tower. Adjacent to SOHO area and Lan Kwai Fong, it is in close proximity to Central-Mid-Levels Escalator, with convenient access to the central business district. The redevelopment is planned to be completed in 2023.

**No. 1 Wang Tak Street**, Happy Valley, a site previously occupied by Emperor (Happy Valley) Hotel, will be redeveloped into a 27-storey residential tower with a gross floor area of approximately 58,000 square feet. Happy Valley is a traditional luxury residential location on Hong Kong Island, with easy access to major shopping and business districts such as Causeway Bay and Wan Chai, and in close proximity to major facilities such as the Hong Kong Jockey Club, Hong Kong Sanatorium & Hospital and Hong Kong Stadium. Foundation works are in progress and the project is planned to be completed in 2024.

The existing building at **Nos. 24-30 Bonham Road**, Mid-levels, will be demolished and redeveloped into a 27-storey residential complex with a gross floor area of approximately 105,500 square feet. Close to railway network, it is just 5 minutes walk away from the Sai Ying Pun MTR station. The redevelopment is planned to be completed in 2024.

The existing buildings at **Nos. 72-80 Old Main Street Aberdeen**, Aberdeen, will be demolished and redeveloped into a 23-storey residential and retail building with a gross floor area of approximately 50,200 square feet. Located in Aberdeen town centre, it is conveniently accessed by a variety of public transport. The redevelopment is planned to be completed in 2024.

## MANAGEMENT DISCUSSION AND ANALYSIS

The redevelopment project at **No. 127 Caine Road**, Mid-levels, is planned to be redeveloped into a 23-storey residential and retail tower with a gross floor area of approximately 25,000 square feet. It is around 3 minutes and 5 minutes walk from PMQ and SOHO areas, respectively, and has convenient access to several leisure spots and multinational restaurants in Mid-levels. The redevelopment is planned to be completed in 2025.

### Hotel and Hotel Related Operations

Emperor E Hotel originally owns 2 hotels in Macau, namely **Grand Emperor Hotel** and **Inn Hotel Macau**. During the Period, 1 hotel – **The Emperor Hotel**, and 2 serviced apartments – **The Unit Serviced Apartments** and **MORI MORI Serviced Apartments** in Hong Kong were acquired by Emperor E Hotel (via disposal of the relevant indirect wholly-owned subsidiaries of the Company) at a total consideration of HK\$2,048.8 million. As a result, the entire hospitality business segment, covering 3 hotels and 2 serviced apartments, is now unified under Emperor E Hotel, and the recurrent income continues being consolidated to the Group. For the details of this disposal, please refer to the joint announcement of the Company and Emperor E Hotel dated 16 March 2021 and circular of the Company dated 30 April 2021.

### OUTLOOK

With the “Early Vaccination for All” campaign rolled out by the Hong Kong government and the stabilised Covid-19 situation in Hong Kong, Macau and mainland China, the Return2hk Scheme has resumed, and the Come2hk Scheme has been launched in Hong Kong. All the governments within the region are striving towards the goal of achieving economic recovery and resuming normal life. The improved consumption sentiment in Hong Kong has provided a favourable operating environment for retailers and landlords.

Several rental properties redevelopment projects, including **No. 81 Lockhart Road**, Wan Chai and **No. 4 Kin Fat Lane**, Tuen Mun in Hong Kong, and **Nos. 25-27 Oxford Street**, London in the United Kingdom, have been completed. They will enable the Group to expand the rental income base and diversify business risks.

The Group has established a solid development properties pipeline, which will add growth momentum to the Group’s performance. **Central 8, Seaside Castle** and the soon-to-launch **Shouson Hill** project will anchor the property sales in the near future. With a limited land supply in Hong Kong, the Group will adopt various approaches to enrich its land bank, including participation in redevelopment projects as well as public tender of the government and urban renewal projects. Considering the ongoing tremendous housing demand, the Group remains cautiously optimistic about the local residential property market outlook in the long term.

# MANAGEMENT DISCUSSION AND ANALYSIS

## FINANCIAL INFORMATION

### Liquidity and Financial Resources

As at 30 September 2021, the Group's net asset value and net asset value per share amounted to HK\$27,324.3 million (31 March 2021: HK\$27,069.5 million) and HK\$7.43 (31 March 2021: HK\$7.36) per share, respectively.

The Group had cash, bank balances and bank deposits amounted to HK\$2,044.3 million (31 March 2021: HK\$4,133.9 million) as at 30 September 2021. The total external borrowings (excluding payables) was approximately HK\$24,393.7 million (31 March 2021: HK\$27,284.4 million), and the Group's net gearing ratio (measured by net debts as a percentage to its total asset value) was 39.1% (31 March 2021: 38.4%).

To finance its operations, the Group utilises cash flow generated from business operations and maintains multiple channels of funding sources including bank borrowings and bond issuances. As at 30 September 2021, the outstanding principal of the medium-term notes issued by the Group was HK\$4,474.6 million (31 March 2021: HK\$4,905.4 million), which were denominated in Hong Kong dollar and United States dollar at fixed rates ranging from 3.15% to 5.0% per annum.

### Assets Pledged

As at 30 September 2021, assets with carrying value of HK\$44,073.7 million (31 March 2021: HK\$45,617.8 million) were pledged as security for banking facilities.

## EVENT SUBSEQUENT TO THE PERIOD

Subsequent to the Period, the Group entered into a sale and purchase agreement with an independent purchaser regarding the disposal of Topy Tower at a consideration of HK\$585.0 million. The net proceeds from the disposal is estimated at HK\$468.4 million, which will be used for future business development of the Group and as general working capital. The disposal is expected to be completed on 20 December 2021. Details of the disposal were disclosed in an announcement by the Company dated 20 October 2021.

Subsequent to the Period, the Group entered into a 5-year unsecured club loan facility agreement amounting to HK\$1,950.0 million with nine local and international banks. The relevant fund will be used for general working capital purposes and refinancing its existing debts. This club loan will provide the Group with extra liquidity and lower its overall funding costs, ensuring financing flexibility and sustainability for future business development.

# MANAGEMENT DISCUSSION AND ANALYSIS

## EMPLOYEES AND REMUNERATION POLICY

The total cost incurred for staff, including Directors' emoluments, was HK\$253.4 million (2020: HK\$241.2 million) during the Period. The number of staff was 1,200 (2020: 1,258) as at 30 September 2021. 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 incentive or reward to the staff, the Company has adopted a share option scheme, particulars of which is set out in the section headed "Share Options" of this interim report.

## INTERIM DIVIDEND

The Board declares an interim dividend of HK\$0.015 per share ("**Interim Dividend**") (2020: HK\$0.012 per share) amounting to approximately HK\$55.2 million (2020: HK\$44.1 million). The Interim Dividend will be payable on 23 December 2021 (Thursday) to shareholders whose names appear on the register of members of the Company on 14 December 2021 (Tuesday).

## CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed, for the purpose of determining shareholders' entitlement to the Interim Dividend, from 13 December 2021 (Monday) to 14 December 2021 (Tuesday) (both days inclusive), 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 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. on 10 December 2021 (Friday).

# CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 September 2021

	Notes	Six months ended 30 September	
		2021 (unaudited) HK\$'000	2020 (unaudited) HK\$'000
Revenue			
Contracts with customers	3(a)	<b>952,217</b>	189,949
Leases	3(b)	<b>440,465</b>	447,554
Total revenue		<b>1,392,682</b>	637,503
Cost of properties sales		<b>(658,963)</b>	(56,617)
Cost of hotel and hotel related operations		<b>(254,763)</b>	(230,069)
Direct operating expenses in respect of leasing of investment properties		<b>(69,758)</b>	(70,459)
Gross profit		<b>409,198</b>	280,358
Other income		<b>48,817</b>	73,032
Fair value changes of investment properties		<b>197,889</b>	(981,815)
Other gains and losses	5	<b>54,442</b>	37,968
Impairment allowance (recognised) reversed for trade receivables		<b>(871)</b>	5
Selling and marketing expenses		<b>(132,138)</b>	(49,342)
Administrative expenses		<b>(194,504)</b>	(181,320)
Share of result of an associate		<b>42</b>	(6,532)
Share of result of a joint venture		<b>(6,622)</b>	(51)
Profit (loss) from operations	6	<b>376,253</b>	(827,697)
Finance costs		<b>(193,449)</b>	(236,259)
Profit (loss) before taxation		<b>182,804</b>	(1,063,956)
Taxation credit (charge)	7	<b>6,090</b>	(3,528)
Profit (loss) for the period		<b>188,894</b>	(1,067,484)
Profit (loss) for the period attributable to:			
Owners of the Company		<b>233,242</b>	(990,157)
Non-controlling interests		<b>(44,348)</b>	(77,327)
		<b>188,894</b>	(1,067,484)
Earnings (loss) per share	8		
Basic		<b>HK\$0.06</b>	HK\$(0.27)

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

For the six months ended 30 September 2021

	Six months ended 30 September	
	2021 (unaudited) HK\$'000	2020 (unaudited) HK\$'000
Profit (loss) for the period	<b>188,894</b>	(1,067,484)
<b>Other comprehensive income (expense)</b>		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Exchange differences arising on translation of foreign operations:		
– subsidiaries	<b>81,595</b>	360,915
– an associate	<b>1,860</b>	6,595
Fair value change of debt instruments at fair value through other comprehensive income	-	854
Reclassification adjustments for amounts transferred to profit or loss upon disposal of debt instruments at fair value through other comprehensive income	-	(3,270)
Other comprehensive income for the period	<b>83,455</b>	365,094
Total comprehensive income (expense) for the period	<b>272,349</b>	(702,390)
Total comprehensive income (expense) for the period attributable to:		
Owners of the Company	<b>316,697</b>	(624,438)
Non-controlling interests	<b>(44,348)</b>	(77,952)
	<b>272,349</b>	(702,390)

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2021

	Notes	At 30 September 2021 (unaudited) HK\$'000	At 31 March 2021 (audited) HK\$'000
<b>Non-current assets</b>			
Investment properties	10	42,744,790	42,429,471
Property, plant and equipment	10	2,986,853	3,057,866
Deposits paid for acquisition of investment properties/property, plant and equipment		14,918	13,359
Receivables related to a development project		178,251	175,695
Right-of-use assets	11	525,795	532,049
Interest in an associate		129,719	127,818
Interest in a joint venture	12	953,690	950,865
Goodwill		56,683	56,683
Other assets		3,997	3,997
Pledged bank deposit		64,134	63,000
		<b>47,658,830</b>	<b>47,410,803</b>
<b>Current assets</b>			
Inventories		12,267	12,402
Properties held for sale	13	1,033,894	1,670,021
Properties under development for sale	10	5,615,616	5,225,609
Trade and other receivables	14	767,300	1,237,560
Taxation recoverable		34,366	38,520
Deposit in designated bank account for development properties		10,238	10,040
Pledged bank deposit		353	353
Short-term bank deposits		164,901	1,415,665
Bank balances and cash		1,879,397	2,718,277
		<b>9,518,332</b>	<b>12,328,447</b>
Assets classified as held for sale		-	509,872
<b>Total current assets</b>		<b>9,518,332</b>	<b>12,838,319</b>

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2021

	Notes	At 30 September 2021 (unaudited) HK\$'000	At 31 March 2021 (audited) HK\$'000
<b>Current liabilities</b>			
Trade and other payables	16	823,585	861,407
Contract liabilities		14,830	296,066
Amount due to an associate		144,047	141,982
Amounts due to related companies		787,451	498,721
Amounts due to non-controlling interests of subsidiaries		39,523	41,090
Taxation payable		205,745	195,014
Unsecured notes - due within one year		1,955,636	2,391,358
Bank borrowings - due within one year		5,008,985	6,044,633
Lease liabilities - due within one year		4,158	3,164
		<b>8,983,960</b>	10,473,435
Liabilities associated with assets classified as held for sale		-	34,508
<b>Total current liabilities</b>		<b>8,983,960</b>	10,507,943
<b>Net current assets</b>		<b>534,372</b>	2,330,376
<b>Total assets less current liabilities</b>		<b>48,193,202</b>	49,741,179
<b>Non-current liabilities</b>			
Contract liabilities		7,330	7,330
Unsecured notes - due after one year		2,518,985	2,514,078
Bank borrowings - due after one year		14,083,086	15,794,478
Lease liabilities - due after one year		39,194	36,806
Deferred taxation		1,987,480	1,985,706
		<b>18,636,075</b>	20,338,398
		<b>29,557,127</b>	29,402,781
<b>Capital and reserves</b>			
Share capital		36,775	36,775
Reserves		27,287,509	27,032,695
Equity attributable to owners of the Company		<b>27,324,284</b>	27,069,470
Non-controlling interests		<b>2,232,843</b>	2,333,311
		<b>29,557,127</b>	29,402,781

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2021

	Attributable to owners of the Company									
	Share capital HK\$'000	Share premium HK\$'000	Translation reserve HK\$'000	Assets revaluation reserve HK\$'000	Investments revaluation reserve HK\$'000	Other reserves HK\$'000	Retained profits HK\$'000	Total HK\$'000	Non-controlling interests HK\$'000	Total equity HK\$'000
At 1 April 2021 (audited)	36,775	4,563,248	273,385	133,417	-	941,254	21,121,391	27,069,470	2,333,311	29,402,781
Profit (loss) for the period	-	-	-	-	-	-	233,242	233,242	(44,348)	188,894
Exchange differences arising on translation of foreign operations:										
- subsidiaries	-	-	81,595	-	-	-	-	81,595	-	81,595
- an associate	-	-	1,860	-	-	-	-	1,860	-	1,860
Total comprehensive income (expense) for the period	-	-	83,455	-	-	-	233,242	316,697	(44,348)	272,349
Acquisition of additional interests in subsidiaries	-	-	-	-	-	18,959	-	18,959	(33,633)	(14,674)
Depreciation attributable to assets revaluation surplus	-	-	-	(460)	-	-	524	64	-	64
Dividend paid to owners of the Company	-	-	-	-	-	-	(80,906)	(80,906)	-	(80,906)
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	(22,487)	(22,487)
<b>At 30 September 2021 (unaudited)</b>	<b>36,775</b>	<b>4,563,248</b>	<b>356,840</b>	<b>132,957</b>	<b>-</b>	<b>960,213</b>	<b>21,274,251</b>	<b>27,324,284</b>	<b>2,232,843</b>	<b>29,557,127</b>
At 1 April 2020 (audited)	36,775	4,563,248	(497,180)	137,473	1,791	900,627	22,057,501	27,200,235	2,521,969	29,722,204
Loss for the period	-	-	-	-	-	-	(990,157)	(990,157)	(77,327)	(1,067,484)
Exchange differences arising on translation of foreign operations:										
- subsidiaries	-	-	360,915	-	-	-	-	360,915	-	360,915
- an associate	-	-	6,595	-	-	-	-	6,595	-	6,595
Fair value change of debt instruments at fair value through other comprehensive income	-	-	-	-	503	-	-	503	351	854
Reclassification adjustments for amounts transferred to profit or loss upon disposal of debt instruments at fair value through other comprehensive income	-	-	-	-	(2,294)	-	-	(2,294)	(976)	(3,270)
Total comprehensive income (expense) for the period	-	-	367,510	-	(1,791)	-	(990,157)	(624,438)	(77,952)	(702,390)
Acquisition of additional interests in subsidiaries	-	-	-	-	-	27,124	-	27,124	(46,227)	(19,103)
Depreciation attributable to assets revaluation surplus	-	-	-	(460)	-	-	524	64	-	64
Dividend paid to owners of the Company	-	-	-	-	-	-	(128,714)	(128,714)	-	(128,714)
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	(11,292)	(11,292)
<b>At 30 September 2020 (unaudited)</b>	<b>36,775</b>	<b>4,563,248</b>	<b>(129,670)</b>	<b>137,013</b>	<b>-</b>	<b>927,751</b>	<b>20,939,154</b>	<b>26,474,271</b>	<b>2,386,498</b>	<b>28,860,769</b>

# CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2021

	Six months ended 30 September	
	2021 (unaudited) HK\$'000	2020 (unaudited) HK\$'000
Net cash flow from operating activities	<b>711,632</b>	133,718
Net cash flow from (used in) investing activities	<b>1,723,255</b>	(1,388,670)
Net cash flow (used in) from financing activities	<b>(3,275,531)</b>	102,597
Net decrease in cash and cash equivalents	<b>(840,644)</b>	(1,152,355)
Cash and cash equivalents at beginning of the reporting period:		
Bank balance and cash	<b>2,718,277</b>	2,943,493
Bank balance and cash included in a disposal group classified as held for sale	<b>217</b>	-
Effect of foreign exchange rate changes	<b>1,547</b>	10,061
Cash and cash equivalents at end of the reporting period	<b>1,879,397</b>	1,801,199

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2021

## 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 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 2021.

## 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 changes in 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 2021.

### Application of amendments to HKFRSs

In the Period, the Group has adopted, for the first time, the following amendments to HKFRSs issued by the HKICPA that are mandatorily effective for the annual period beginning on or after 1 April 2021 for the preparation of the Group’s unaudited condensed consolidated financial statements:

Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	Interest Rate Benchmark Reform – Phase 2
Amendment to HKFRS 16	Covid-19 – Related Rent Concessions beyond 30 June 2021

The application of the above 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 new or revised HKFRSs that have been issued but are not yet effective for the current accounting period.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2021

## 3. REVENUE

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

### (a) Contracts with customers

	Six months ended 30 September	
	2021 (unaudited) HK\$'000	2020 (unaudited) HK\$'000
<b>Hotel and hotel related operations:</b>		
Recognised over time:		
Service income from gaming operations	149,731	51,094
Hotel room income	27,347	25,967
	<b>177,078</b>	77,061
Recognised at a point in time:		
Food and beverage sales	43,137	30,337
Others	328	451
	<b>43,465</b>	30,788
	<b>220,543</b>	107,849
<b>Sales of properties recognised at a point in time</b>	<b>731,674</b>	82,100
<b>Revenue from contracts with customers</b>	<b>952,217</b>	189,949

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2021

## 3. REVENUE (Continued)

### (b) Leases

	Six months ended 30 September	
	2021 (unaudited) HK\$'000	2020 (unaudited) HK\$'000
<b>Total revenue arising from leases:</b>		
For operating leases:		
Lease payments that are fixed or depend on an index or a rate	433,561	441,912
Variable lease payments that do not depend on an index or a rate	6,904	5,642
	<b>440,465</b>	<b>447,554</b>

## 4. SEGMENT INFORMATION

For management purpose, the business segments of the Group are currently organised into lease of properties, properties development and hotel and hotel related operations. Segment results represent the profit earned by or loss suffered from each segment without allocation of central administration cost, interest income, fair value changes of investment properties, finance costs, gain on disposal of debt instruments at fair value through other comprehensive income (“FVTOCI”), government subsidies, 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.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2021

## 4. SEGMENT INFORMATION (Continued)

	Segment revenue Six months ended 30 September		Segment results Six months ended 30 September	
	2021 (unaudited) HK\$'000	2020 (unaudited) HK\$'000	2021 (unaudited) HK\$'000	2020 (unaudited) HK\$'000
	<b>Business segments</b>			
Lease of properties	440,465	447,554	357,747	366,902
Properties development	731,674	82,100	66,981	3,004
Hotel and hotel related operations	220,543	107,849	(170,885)	(237,778)
	<b>1,392,682</b>	637,503	<b>253,843</b>	132,128
Interest income			23,314	40,808
Corporate expenses, net			(92,263)	(29,339)
Fair value changes of investment properties			197,889	(981,815)
Finance costs			(193,449)	(236,259)
Gain on disposal of debt instruments at FVTOCI			-	3,270
Government subsidies			50	13,834
Share of result of an associate			42	(6,532)
Share of result of a joint venture			(6,622)	(51)
Profit (loss) before taxation			182,804	(1,063,956)
Taxation credit (charge)			6,090	(3,528)
Profit (loss) for the period			188,894	(1,067,484)

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2021

## 5. OTHER GAINS AND LOSSES

	Six months ended 30 September	
	2021 (unaudited) HK\$'000	2020 (unaudited) HK\$'000
Net exchange (loss) gain	(6,471)	37,968
Reversal of write-downs of properties under development for sale, net ( <i>Note</i> )	60,449	-
Reversal of write-downs of properties held for sale	464	-
	<b>54,442</b>	<b>37,968</b>

*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 reversed previously recognised write-downs of HK\$60,449,000 (2020: Nil).

## 6. PROFIT (LOSS) FROM OPERATIONS

Profit (loss) from operations for the Period has been arrived at after charging depreciation of approximately HK\$84,997,000 (2020: HK\$90,237,000) in respect of the Group's property, plant and equipment and approximately HK\$12,126,000 (2020: HK\$12,177,000) in respect of the Group's right-of-use assets.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2021

## 7. TAXATION CREDIT (CHARGE)

	Six months ended 30 September	
	2021 (unaudited) HK\$'000	2020 (unaudited) HK\$'000
Taxation credit (charge) comprises:		
Current tax		
Hong Kong Special Administrative Region ("Hong Kong") Profits Tax	(7,498)	(19,598)
Macau Special Administrative Region ("Macau") Complementary Tax	(872)	(166)
United Kingdom ("UK") Income Tax	(8,191)	(852)
The People's Republic of China ("The PRC") Enterprise Income Tax	(715)	(398)
	(17,276)	(21,014)
Over/(under)provision in respect of prior years		
Hong Kong Profits Tax	2,043	(394)
UK Income Tax	-	(5)
	2,043	(399)
Deferred taxation credit	21,323	17,885
	6,090	(3,528)

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

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

UK Income Tax for the Period is calculated at the applicable rate of 19% (2020: 20%) of the estimated assessable profits.

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 2021

## 8. EARNINGS (LOSS) PER SHARE

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

	Six months ended 30 September	
	2021 (unaudited) HK\$'000	2020 (unaudited) HK\$'000
<b>Earnings (loss)</b>		
Earnings (loss) (profit (loss) for the period attributable to owners of the Company) for the purpose of basic earnings (loss) per share	<b>233,242</b>	(990,157)

	Six months ended 30 September	
	2021 (unaudited)	2020 (unaudited)
<b>Number of shares</b>		
Weighted average number of ordinary shares in issue for the purpose of basic earnings (loss) per share	<b>3,677,545,667</b>	3,677,545,667

Diluted earnings (loss) per share is 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 2021

## 9. DIVIDEND

	Six months ended 30 September	
	2021 (unaudited) HK\$'000	2020 (unaudited) HK\$'000
Final dividend of HK\$0.012 per share for the year ended 31 March 2021 paid during the period (year ended 31 March 2020: HK\$0.035)	44,131	128,714
Special dividend of HK\$0.010 per share declared after the year ended 31 March 2021 paid during the period (2020: Nil)	36,775	-
	<b>80,906</b>	128,714

The Board has resolved to declare an interim dividend of HK\$0.015 (2020: HK\$0.012) per share amounting to approximately HK\$55,163,000 (2020: HK\$44,131,000).

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

### Investment properties

All of the Group's property interests held under operating leases to earn rentals 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\$22,025,000 (2020: HK\$241,590,000).

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2021

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

### Investment properties (Continued)

The fair values of the Group's investment properties at 30 September 2021 and 31 March 2021 have been arrived at on the basis of a valuation carried out on those date by Memfus Wong Surveyors Limited, Colliers International (Hong Kong) Limited and Cushman and Wakefield 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 2020 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 and rental income using the applicable market yields for the respective locations and types of properties.

For investment properties under development, the valuations have been arrived at assuming that the investment properties will be completed in accordance with the development proposals and the relevant approvals for the proposals have been obtained. The valuations include key factors such as the market value of the completed investment properties, which are estimated with reference to recent sales evidence of similar properties in the nearest locality as available in the relevant market with adjustments made by the Valuers to account for differences in the locations and other factors 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.

The resulting increase of fair value of investment properties of approximately HK\$197,889,000 (2020: decrease of HK\$981,815,000) 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\$13,856,000 and HK\$329,558,000 (2020: HK\$23,530,000 and HK\$127,432,000) respectively.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2021

## 11. MOVEMENTS OF RIGHT-OF-USE ASSETS

	Leasehold lands HK\$'000	Land and buildings HK\$'000	Total HK\$'000
<b>Carrying value</b>			
At 1 April 2021 (audited)	518,700	13,349	532,049
Additions	-	5,872	5,872
Depreciation provided for the Period	(9,836)	(2,290)	(12,126)
<b>At 30 September 2021 (unaudited)</b>	<b>508,864</b>	<b>16,931</b>	<b>525,795</b>

## 12. INTEREST IN A JOINT VENTURE

Interest in a joint venture represents interest in Superb Land Limited in 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 2021, the Group has given a corporate guarantee of HK\$932,000,000 (31 March 2021: HK\$932,000,000) to a bank in respect of banking facilities granted to Talent Charm, of which HK\$932,000,000 (31 March 2021: HK\$932,000,000) has been utilised. In the opinion of the Directors, the fair value of the financial guarantee is not significant.

## 13. PROPERTIES HELD FOR SALE

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

	At 30 September 2021 (unaudited) HK\$'000	At 31 March 2021 (audited) HK\$'000
Hong Kong	1,033,420	1,669,552
The PRC	474	469
	<b>1,033,894</b>	<b>1,670,021</b>

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2021

## 14. 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 2021 (unaudited) HK\$'000	At 31 March 2021 (audited) HK\$'000
0 - 30 days	24,717	45,480
31 - 90 days	2,564	2,271
91 - 180 days	1,922	2,652
Over 180 days	12,936	12,900
	<b>42,139</b>	63,303
Chips on hand	61,644	54,666
Other receivables	259,805	286,068
Deposits and prepayments	403,712	833,523
	<b>767,300</b>	1,237,560

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

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

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

As at 30 September 2021, included in other receivables are amounts due from related companies of HK\$48,077,000 (31 March 2021: HK\$36,563,000). These related companies are indirectly controlled by private discretionary trusts which are founded by Dr. Yeung Sau Sing, Albert ("Dr. Albert 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 2021*

## **15. IMPAIRMENT ASSESSMENT ON FINANCIAL ASSETS SUBJECT TO EXPECTED CREDIT LOSSES (“ECL”) MODEL**

The Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge obligations by the counterparties at the end of reporting period are arising from the carrying amount of the respective recognised financial assets as stated in the unaudited condensed consolidated statement of financial position.

In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group performs impairment assessment under ECL model on trade balances individually. In this regard, the Directors consider that the Group's credit risk is significantly reduced.

During the Period, lifetime ECL of HK\$871,000 (2020: HK\$74,000) for certain trade receivables was recognised as the management considered the amounts from certain customers was credit-impaired, and during the six months ended 30 September 2020 HK\$79,000 (2021: Nil) for certain trade receivables was reversed upon settlement from these customers of which recognised as credit-impaired previously.

The management has also assessed all available forward looking information, including but not limited to the economic outlook and subsequent settlement of these customers. As at 30 September 2021, impairment allowance with an aggregate balance of HK\$14,340,000 (31 March 2021: HK\$14,340,000) represents individually credit-impaired trade receivables from contracts with customers and lease receivables with an aggregate gross carrying amount of HK\$27,240,000 (31 March 2021: HK\$27,240,000) as the management considered the outstanding balances from these customers were uncollectible.

Lifetime ECL for the remaining trade receivables with an aggregate gross carrying amount of HK\$29,239,000 (31 March 2021: HK\$50,403,000) was insignificant and thus negligible to be provided by the Group due to the low probability of default of those debtors based on historical credit loss experience.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2021

## 15. IMPAIRMENT ASSESSMENT ON FINANCIAL ASSETS SUBJECT TO EXPECTED CREDIT LOSSES (“ECL”) MODEL (Continued)

The following table shows the movement in lifetime ECL that has been recognised for trade receivables under the simplified approach.

	Lifetime ECL (credit-impaired) HK\$'000
At 1 April 2021 (audited)	14,340
New trade receivables originated during the Period	871
Write-off	(871)
<b>At 30 September 2021 (unaudited)</b>	<b>14,340</b>

For the other receivables, including chips on hand, deposit in designated bank account for development properties, pledge bank deposit, short-term bank deposits and bank balances, impairment allowance was insignificant and thus negligible to be made since the management of the Group considers the probability of default is minimal after assessing counterparties' financial background and creditability or the probability of default is negligible as such deposits are placed in banks with high credit ratings assigned by international credit rating agencies and have low credit risk.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2021

## 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 2021 (unaudited) HK\$'000	At 31 March 2021 (audited) HK\$'000
0 - 90 days	28,167	22,347
91 - 180 days	243	74
Over 180 days	316	184
	<b>28,726</b>	22,605
Amount due to a shareholder of an associate ( <i>Note</i> )	1,425	1,404
Construction payables and accruals	291,314	315,076
Rental deposits received	283,808	277,383
Other payables and accruals	218,312	244,939
	<b>823,585</b>	861,407

*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 2021

## 17. DISPOSAL OF SUBSIDIARIES

During the six months period ended 30 September 2021, the Group had disposed of the following subsidiaries:

On 21 April 2021, the Group entered into a sale and purchase agreement to dispose of its entire equity interest in Jade Talent Holdings Limited and its subsidiary (“**Jade Talent Group**”) to an independent third party at a total consideration of approximately HK\$485,713,000. Jade Talent Group, indirect wholly-owned subsidiaries of the Company, holds a property located at 82 Hung To Road, Kowloon. The disposal was completed on 21 April 2021.

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

	HK\$'000
Cash consideration received	485,713

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

	HK\$'000
Investment properties	508,000
Other receivables, deposits and prepayment	1,142
Other payables and accrued charges	(22,911)
Deferred taxation	(518)
	485,713

Gain or loss on disposal is calculated as follows:

	HK\$'000
Consideration received and receivable	485,713
Net assets disposed of	(485,713)
	-

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2021

## 18. RELATED PARTY TRANSACTIONS

- (a) Other than disclosed in notes 12, 14 and 16, the Group also had the following significant transactions with related parties during both periods:

	Six months ended 30 September	
	2021 (unaudited) HK\$'000	2020 (unaudited) HK\$'000
Financial services expenses to related companies	514	622
Interest income from a joint venture	9,446	8,416
Interest expenses to related companies	28,638	38,193
Purchase of merchandising goods from related companies	496	390
Rental income from related companies	60,814	56,961
Secretarial fee to a related company	403	370
Share of administrative expenses by related companies	41,952	35,909

- (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	
	2021 (unaudited) HK\$'000	2020 (unaudited) HK\$'000
Fees	1,171	1,170
Salaries and other short term benefit	6,049	6,334
	7,220	7,504

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2021

## 18. RELATED PARTY TRANSACTIONS (Continued)

(c) Amounts due to related parties

	At 30 September 2021 (unaudited) HK\$'000	At 31 March 2021 (audited) HK\$'000
Amounts due to non-controlling interests of subsidiaries	39,523	41,090
Amounts due to related companies	787,451	498,721

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

## 19. CAPITAL COMMITMENTS

	At 30 September 2021 (unaudited) HK\$'000	At 31 March 2021 (audited) HK\$'000
Contracted for but not provided in the unaudited condensed consolidated financial statements, net of deposits paid, in respect of:		
- investment properties	120,626	120,753
- property, plant and equipment	3,346	8,240
- properties under development for sale	414,505	530,542
	538,477	659,535

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2021

## 20. 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 2021 (unaudited) HK\$'000	At 31 March 2021 (audited) HK\$'000
Investment properties	<b>37,994,734</b>	38,162,715
Properties under development for sale	<b>3,477,215</b>	3,327,904
Properties held for sale	<b>652,937</b>	652,937
Buildings, including relevant leasehold land in Hong Kong	<b>336,155</b>	343,549
Hotel properties, including relevant leasehold land in Hong Kong	<b>1,007,654</b>	2,520,147
Right-of-use assets	<b>508,864</b>	518,700
Bank deposits	<b>64,134</b>	63,000
Others ( <i>Note</i> )	<b>31,989</b>	28,855
	<b>44,073,682</b>	45,617,807

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

The Group also pledged a bank deposit of HK\$353,000 (31 March 2021: HK\$353,000) to a bank to secure for the use of ferry ticket equipment provided by a third party to the Group.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

*For the six months ended 30 September 2021*

## **21. EVENT AFTER THE END OF THE REPORTING PERIOD**

On 20 October 2021, the Group entered into a sale and purchase agreement to dispose of its entire equity interest in Black Tie Holdings Limited and its subsidiary (“**Black Tie Group**”) to an independent third party. Black Tie Group, indirect wholly-owned subsidiaries of the Company, holds a property located at Nos. 45-51 Kwok Shui Road, Kwai Chung, New Territories. The completion shall take place on 20 December 2021. Details of the transaction are disclosed in the announcement of the Company dated 20 October 2021.

## DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SECURITIES

As at 30 September 2021, the following Directors and chief executives of the Company had or were deemed or taken to have interests and short positions in the following shares, underlying shares and debentures of the Company and its associated corporation(s) (within the meaning of Part XV of the Securities and Futures Ordinance (“SFO”)) as recorded in the register maintained by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange 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 POSITIONS INTERESTS IN THE COMPANY

#### (i) Ordinary shares of HK\$0.01 each of the Company (the “Shares”)

Name of Director	Capacity/ Nature of interests	Number of issued Shares interested	% of issued voting Shares
Ms. Luk Siu Man, Semon (“ <b>Ms. Semon Luk</b> ”)	Interest of spouse	2,747,610,489 ( <i>Note</i> )	74.71%
Mr. Alex Yeung	Eligible beneficiary of a private discretionary trust	2,747,610,489 ( <i>Note</i> )	74.71%
Ms. Fan Man Seung, Vanessa	Beneficial owner	10,500,000	0.29%

*Note:*

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

#### (ii) Debentures

Name of Director	Capacity/Nature of interests	Amount of debentures held
Mr. Wong Chi Fai	Interest of controlled corporation	HK\$2,000,000

# DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SECURITIES

## (B) LONG POSITIONS INTERESTS IN ASSOCIATED CORPORATIONS OF THE COMPANY

Name of Director	Name of associated corporation	Capacity/ Nature of interests	Number of ordinary shares interested	% of issued voting shares
Ms. Semon Luk	Emperor E Hotel	Interest of spouse	851,352,845	71.11%
	Emperor Watch & Jewellery Limited ("Emperor W&J")	Interest of spouse	4,298,610,000	63.41%
	Emperor Culture Group Limited ("Emperor Culture")	Interest of spouse	2,371,313,094	73.80%
	Ulferts International Limited ("Ulferts")	Interest of spouse	600,000,000	75.00%
Mr. Alex Yeung	Emperor E Hotel	Eligible beneficiary of a private discretionary trust	851,352,845	71.11%
	Emperor W&J	Eligible beneficiary of a private discretionary trust	4,298,610,000	63.41%
	Emperor Culture	Eligible beneficiary of a private discretionary trust	2,371,313,094	73.80%
	Ulferts	Eligible beneficiary of a private discretionary trust	600,000,000	75.00%

*Note:*

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

Save as disclosed above, as at 30 September 2021, none of the Directors nor chief executives of the Company had any interests or short positions in any Shares, underlying Shares and debentures of the Company or any of its associated corporation(s) (within the meaning of Part XV of the SFO).

## OTHER PERSONS' INTERESTS IN SHARES AND UNDERLYING SHARES

So far as is known to any Directors or chief executives of the Company, as at 30 September 2021, the persons or corporations (other than a Director or a chief executive of the Company) who had, or were deemed or taken to have an interest 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 POSITIONS IN SHARES

Name	Capacity/ Nature of interests	Number of Shares interested	% of issued voting Shares
AY Holdings	Interest in a controlled corporation	2,747,610,489	74.71%
First Trust	Trustee of a private discretionary trust	2,747,610,489	74.71%
Dr. Albert Yeung	Founder of a private discretionary trust	2,747,610,489	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)(i) of “Directors’ and Chief Executives’ Interests in Securities” above.

Save as disclosed above, as at 30 September 2021, the Directors or chief executives of the Company were not aware of any other person or corporation (other than the Directors and chief executives of the Company) who had, or were deemed or taken to have, any interests or short positions in any Shares or underlying Shares as recorded in the DI Register.

# CORPORATE GOVERNANCE AND OTHER INFORMATION

## SHARE OPTIONS

To enable the Group to attract, retain and motivate talented participants to strive for future developments and expansion of the Group, the Company has adopted a share option scheme on 15 August 2013. Since then, no share options were granted thereunder.

## CORPORATE GOVERNANCE CODE

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

## MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted EHL Securities 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 10 of the Listing Rules regarding 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 Model Code and EHL Securities Code throughout the Period.

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

## CHANGE IN INFORMATION OF DIRECTORS

Save as the change of Independent Non-executive Directors and the members of Board Committee as disclosed in the announcement of the Company dated 19 August 2021, the Company is not aware of any change in the Directors' information which is required to be disclosed pursuant to Rule 13.51(B) of the Listing Rules since the date of the 2020/2021 Annual Report.

## 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 audited nor reviewed by the Company's auditor, Deloitte Touche Tohmatsu (Registered Public Interest Entity Auditor), but this report has been reviewed by the audit committee of the Company, which comprises the three Independent Non-executive Directors of the Company.

# CORPORATE GOVERNANCE AND OTHER INFORMATION

## **PURCHASE, SALE, REDEMPTION AND ISSUANCE 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, 25 November 2021

As at the date hereof, the Board comprises:

*Non-Executive Director:*

Ms. Luk Siu Man, Semon

*Executive Directors:*

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

*Independent Non-Executive Directors:* Mr. Wong Tak Ming, Gary  
Mr. Chan Hon Piu  
Mr. Chu Kar Wing

This Interim Report (in both English and Chinese versions) is available to any shareholder of the Company in printed form or on the websites of the Stock Exchange (<https://www.hkexnews.hk>) and the Company (<https://www.emperorint.com>). In order to protect the environment, the Company highly recommends the shareholders to receive electronic copy of this Interim Report. Shareholders may have the right to change their choice of receipt of our future Corporate Communications at any time by reasonable notice in writing to the Company's Hong Kong Branch Share Registrar, Tricor Secretaries Limited, by post at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong or by email at [is-enquiries@hk.tricorglobal.com](mailto:is-enquiries@hk.tricorglobal.com).