

2008/2009



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

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

Interim Report 2008/2009



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FINANCIAL HIGHLIGHTS (Unaudited)

	Lease of properties		Sales of properties		Property development		Hotel operation		Other operations		Total	
	2008 HK\$'000	2007 HK\$'000	2008 HK\$'000	2007 HK\$'000	2008 HK\$'000	2007 HK\$'000	2008 HK\$'000	2007 HK\$'000	2008 HK\$'000	2007 HK\$'000	2008 HK\$'000	2007 HK\$'000
Turnover	133,834	93,946	-	5,908	-	-	25,776	34,186	1,327	1,875	160,937	135,915
Contribution	118,029	85,414	-	(139)	(27,043)	(5,499)	2,504	3,015	1,171	2,268	94,661	85,059
Disposal of investment properties	227	18,454									227	18,454
Property Revaluation	(826,318)	501,793	-	3,839	(115,087)	(4,323)					(941,405)	501,309
Share of contribution from Emperor Entertainment Hotel Limited											7,542	40,452
(Loss) Profit for the period attributable to equity holders of the Company											(839,885)	486,543

MANAGEMENT DISCUSSION AND ANALYSIS

Overview

For the six months ended 30th September, 2008 (the "Period"), Emperor International Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") recorded revenue of approximately HK\$160.9 million from continuing operations, representing an increment of approximately 18% from HK\$135.9 million for the same period in the previous year. Out of the revenue, HK\$133.8 million was attributable to rental income, up from HK\$93.9 million in the previous corresponding period. The HK\$39.9 million increment was due to rise in rental revenue from the Group's high-quality retail and office properties. However, in the second half of 2008, the general property market condition in Hong Kong experienced a sudden yet drastic downturn, coupled with slowdown of economy and turbulence in the global financial markets. For the Period, the Group recorded a loss of HK\$826.3 million from fair value change of its investment properties, which had recorded substantial revaluation gain amid the booming property market in recent years. The Group had also marked an impairment loss of HK\$115.1 million in respect of its properties under development in Hong Kong and PRC, after taking into account market valuation of the projects.

The underlying profit, which includes contribution from disposal of investment properties of HK\$0.2 million (2007: HK\$18.5 million), but excludes the impairment loss due to fair value change of its investment properties and properties under development, was HK\$94.9 million (2007: HK\$103.5 million). The Group also saw a drop in contribution from its associate company, Emperor Entertainment Hotel Limited to HK\$7.5 million during the Period (2007: HK\$40.5 million), mainly due to a drop in the operating profit and fair value change of Grand Emperor Hotel in Macau.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

Overview (Continued)

Therefore, the Group reported for the Period a loss attributable to equity holders of HK\$839.9 million (2007: profit of \$486.5 million) and loss per share of HK\$0.47 (2007: earnings per share of HK\$0.31).

As at 30th September, 2008, net asset value amounted to HK\$5,489.0 million. The Group maintained a healthy and sound financial position and gearing ratio was approximately 44%.

Business Review

Property Investment

Property development and investment is the Group's core business, with rental income from investment properties being one of the Group's main income contributors. Rental income derived from investment properties amounted to HK\$133.8 million, approximately 43% up from HK\$93.9 million in 2007. The Group's investment property portfolio mainly consists of shops and offices in Hong Kong and Macau. A positive economy and property market in the first half of 2008 had resulted in satisfactory increment in rental rates.

The Group had a sustainable overall occupancy rate of 96% for its retail properties, attributable to the prime locations of the majority of the Group's retail properties. Key investment properties include the shopping mall at Emperor Group Centre in Wanchai, Emperor Plaza in Tsuen Wan, a number of shops and a mall at Russell Street, Causeway Bay. Retail rental was generally stable due to the prime location of the investment properties. The Group had exerted ongoing effort in upgrading the quality of its properties to enhance the value of its property portfolio and boost the rental income.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

Business Review (Continued)

Property Investment (Continued)

The Group had started receiving rental income from a property in Kowloon Bay, that it acquired in the early half of the Period. Renamed as Emperor International Square, the property offers total rental area of approximately 311,702 square feet and saw an occupancy rate of 100%. The property is expected to contribute a stable source of rental income over a long term.

The Group also has a multi-function beach-front leisure and recreation complex in Repulse Bay under construction. The project, which provides a total gross floor area of approximately 166,824 square feet, is virtually completed. The Group has been in negotiation with the Government to clarify whether the Group needs to pay premium for use of the current building and an originating summons has been taken out by the Group to seek clarification from the court. Following resolution of the matter, it is expected that the property will generate long-term rental income for the Group.

In PRC, the Group had an approximately 88,365 square feet site along Chang'an Avenue East in Beijing, which was planned to be developed into a comprehensive commercial complex. The project is intended to provide a total gross floor area of approximately 636,465 square feet, comprising a retail podium with high-end entertainment hot spots and a Grade-A office tower. Clearance work was in progress during the Period.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

Business Review (Continued)

Property Investment (Continued)

Approaching the end of the Period, the general property market condition in Hong Kong had experienced an abrupt downturn resulting from uncertainties in global economy and equity markets. As a result, the Group recorded a loss of HK\$826.3 million (2007: revaluation gain of HK\$501.8 million) from revaluating its investment properties, and the loss materially adversely impacted on the profit and loss of the Group, although the Group's investment properties continued to generate stable rental income.

Property Development

The Group is positive in the long term towards the property market in Hong Kong, where land supply is limited and there is an increasing demand for new flats especially on Hong Kong Island with low completion volumes for private residential units in the coming years.

The Group has a redevelopment site at Shing On Street, Sai Wan Ho. The approximately 4,382 square feet site will provide a single residential tower block with a total gross floor area of approximately 44,000 square feet. Demolition had been completed during the Period and the project is expected to be completed in late 2012.

The Group owns a site of approximately 11,833 square feet in Des Voeux Road West, Western District. The site is expected to be developed into a residential block or hotel tower, capturing the rising demand of hotel rooms from tourists and business travellers. Demolition had been underway during the Period and the whole project is expected to complete at the end of 2012.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

Business Review (Continued)

Property Development (Continued)

Shortly after the Period, the Group had acquired full interest of a site on Java Road, North Point which it previously owned 66% from its joint venture partner. The Group plans to develop a single-block multi-storey hotel offering gross floor area of 102,270 square feet. The management saw an increase in demand for hotel rooms in Hong Kong with competitive rates and accessible locations. The Group had completed demolition of the site during the Period and the project is expected to be completed in 2012.

The Group had also completed acquisition of a site on Prince's Road West in Kowloon during the Period, riding on the redevelopment potential following the building of Shatin-to-Central Rail Link. The total site area is approximately 3,319 square feet. Demolition work is scheduled to commence in 2009 and the site is to be developed into a multi-storey residential/commercial block with a total gross floor area of approximately 29,846 square feet. The project is expected to be completed in 2011.

In PRC, the Group has a commercial/residential composite development project underway in Xiamen, known as Emperor Lakeside Metropolis which is expected to be completed in 2009. Pre-sale of the residential units had commenced, with 66% of the units being sold as in November 2008.

Following the recent correction of the local property market, the Group had recorded a revaluation loss from its properties under development of HK\$115.1 million (2007: HK\$4.3 million). As at the end of the Period, the Group had a land bank in Hong Kong, Macau and PRC of approximately 700,000 square feet, comprising land being acquired for development and redevelopment.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

Business Review (Continued)

Hotel

The Emperor (Happy Valley) Hotel in Hong Kong had performed within management's expectation with a steady contribution during the Period. Revenue, which mainly came from the hotel's 150 guest rooms as well as food and beverage from the Chinese restaurant and coffee shop, reached approximately HK\$25.8 million (2007: HK\$34.2 million).

The hotel had strived to boost its business from overseas customers and diversify its guest mix. It continued to put great weight in developing high-yield corporate customers and maintaining close contacts with Internet travel agents. It had also been upgrading its in-room facilities to enhance satisfaction of hotel guests.

The hotel saw a revenue mix of corporate business and tour groups of 75:25, against 70:30 previously. This revenue mix would render the revenue stream of the hotel more stable and balanced in the long run.

Prospects

The Group is positive towards the property and hotel market in Hong Kong, Macau and the PRC in the long term despite recent volatility. The local property leasing market is expected to perform steadily in the year ahead. The Group will continue to improve the asset quality of its investment properties as well as optimise the tenant mix and strengthen the value of its properties in order to achieve higher yields from rental income.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

Prospects (Continued)

The Group would closely monitor the market development and capture opportunities for replenishing its land bank for redevelopment and development projects in Hong Kong and Mainland China.

For its hotel operation, the Group will introduce new incentive and recognition programmes as well as enhancing relationship with its major accounts and clients. The Group will also upgrade its room amenities and facilities.

Looking ahead, the Board will continue to monitor the share price of the Company and its underlying net asset value on a regular basis. The Board will consider repurchasing its own shares on the Stock Exchange when the share price represents an attractive discount to its net asset value.

Capital Structure, Liquidity and Financial Resources

As at 30th September, 2008, the total external borrowings (excluding payables) amounted to approximately HK\$5,018.4 million and the Group maintained a debt to asset ratio of 44% (measured by total external borrowings as a percentage to the total asset value of the Group). In addition to its share capital and reserves, the Group made use of cash flow generated from operations, bank borrowings and unsecured loans from a related company to finance its operations. The Group's bank borrowings were denominated in Hong Kong Dollars and Renminbi and their interest rates followed market rates. The Group's bank balances and cash were also denominated in Hong Kong dollars and Renminbi. Since Renminbi is relatively stable, the Group had no material exposure to fluctuations in exchange rates.

Staff Costs

The total cost incurred for staff including directors' emoluments amounted to HK\$46.3 million during the Period as compared with HK\$46.2 million in the last corresponding period. The number of staff was approximately 350 as at the end of the Period.

Assets Pledged

As at the end of the Period, assets with carrying value of HK\$7,586.3 million were pledged as security for banking facilities.

Contingent Liabilities

As at the end of the Period, the Group has given guarantees to banks in respect of mortgage loans granted to the purchasers of properties sold in the PRC of approximately HK\$72.8 million.

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the Period (2007: HK\$0.04).

The Board of the Company announces the unaudited condensed consolidated results of the Group for the six months ended 30th September, 2008 together with comparative figures for the corresponding period in 2007 as set out below.

CONDENSED CONSOLIDATED INCOME STATEMENT

		Six months ended 30th September,	
		2008 (unaudited) HK\$'000	2007 (unaudited) HK\$'000
	Notes		
<i>Continuing operations:</i>			
Turnover		160,937	135,915
Cost of sales		(3,748)	(11,773)
Direct operating expenses		(19,620)	(18,847)
Gross profit		137,569	105,295
Other operating income – net		4,941	9,721
Selling and marketing expenses		(7,641)	(4,164)
Administrative expenses		(67,620)	(48,437)
Change in fair values of investment properties		(826,318)	501,793
Gain on disposal of investment properties		227	18,454
Impairment loss recognised in respect of properties under development		(115,087)	(4,323)
Impairment loss reversed in respect of properties held for sale		-	3,839
Impairment loss recognised in respect of motor vehicle registration mark		-	(600)
(Loss) profit from operations	4	(873,929)	581,578
Finance costs		(58,560)	(70,950)
Share of associates' results after taxation		7,588	51,343
(Loss) profit before taxation		(924,901)	561,971
Taxation	5	84,760	(76,964)
(Loss) profit from continuing operations		(840,141)	485,007
<i>Discontinued operation:</i>			
Profit from discontinued operation	6	-	1,664
(Loss) profit for the period		(840,141)	486,671
(Loss) profit attributable to:			
Equity holders of the Company		(839,885)	486,543
Minority interests		(256)	128
		(840,141)	486,671
<i>Continuing and discontinued operations:</i>			
(Loss) earnings per share – basic	7	(HK\$0.47)	HK\$0.31
(Loss) earnings per share – diluted	7	(HK\$0.47)	HK\$0.31
<i>Continuing operations:</i>			
(Loss) earnings per share – basic	7	(HK\$0.47)	HK\$0.31
(Loss) earnings per share – diluted	7	(HK\$0.47)	HK\$0.31

CONDENSED CONSOLIDATED BALANCE SHEET

	Notes	As at	
		30th September, 2008 (unaudited) HK\$'000	31st March, 2008 (audited) HK\$'000
Non-current assets			
Investment properties		6,887,694	6,673,676
Property, plant and equipment		236,751	226,704
Properties under development		823,856	644,878
Deposits paid for acquisition of properties		54,644	91,891
Prepaid lease payments		588,548	671,834
Interests in associates		792,845	798,803
Amounts due from associates		2,645	2,645
Loans receivable		1,902	1,940
Goodwill		1,940	1,940
Other assets		4,442	4,442
		9,395,267	9,118,753
Current assets			
Inventories		532	619
Properties held for sale		27,151	26,714
Properties under development		808,622	788,742
Prepaid lease payments		11,431	12,825
Debtors, deposits and prepayments	9	149,438	107,752
Investments in trading securities		123	161
Taxation recoverable		144	200
Pledged bank deposits		697,541	691,192
Bank balances (general accounts) and cash		193,259	173,888
		1,888,241	1,802,093

CONDENSED CONSOLIDATED BALANCE SHEET (Continued)

		As at	
	Notes	30th September, 2008 (unaudited) HK\$'000	31st March, 2008 (audited) HK\$'000
Current liabilities			
Creditors, customer deposits and accrued charges	10	533,109	365,357
Amount due to a related company		1,740,614	-
Amount due to a major shareholder		-	1,575,510
Amount due to an associate		133	298
Amounts due to minority shareholders of subsidiaries		19,504	19,504
Taxation payable		7,926	3,212
Secured bank borrowings - due within one year		1,689,348	915,674
		3,990,634	2,879,555
Net current liabilities		(2,102,393)	(1,077,462)
Total assets less current liabilities		7,292,874	8,041,291
Non-current liabilities			
Secured bank borrowings - due after one year		1,568,846	1,316,762
Deferred taxation liabilities		235,006	324,036
		1,803,852	1,640,798
Net assets		5,489,022	6,400,493
Capital and reserves			
Share capital		17,752	17,752
Reserves		5,471,388	6,382,671
Equity attributable to equity holders of the Company		5,489,140	6,400,423
Minority interests		(118)	70
Total equity		5,489,022	6,400,493

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital	Share premium	Translation reserve	Asset revaluation reserve	Share option reserve	Other reserve	Contributed surplus	Accumulated profits	Minority interests	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
As at 1st April, 2008										
(audited)	17,752	2,761,028	51,216	102,113	20,987	110	526,334	2,920,883	70	6,400,493
Depreciation attributable to revaluation surplus	-	-	-	(528)	-	-	-	528	-	-
Exchange difference arising on translation of foreign subsidiaries	-	-	34,325	-	-	-	-	-	68	34,393
Share of movements of an associate	-	-	4,021	-	-	-	-	-	-	4,021
Reversal of deferred taxation liabilities arising from depreciation attributable to revaluation surplus	-	-	-	320	-	-	-	-	-	320
Dividend paid	-	-	-	-	-	-	(110,064)	-	-	(110,064)
Loss for the period	-	-	-	-	-	-	-	(839,885)	(256)	(840,141)
As at 30th September, 2008 (unaudited)	17,752	2,761,028	89,562	101,905	20,987	110	416,270	2,081,526	(118)	5,489,022

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Continued)

	Share capital	Share premium	Translation reserve	Asset revaluation reserve	Share option reserve	Other reserve	Contributed surplus	Accumulated profits	Minority interests	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
As at 1st April, 2007										
(audited)	14,132	2,018,604	19,496	74,857	6,030	10	703,859	1,828,858	414	4,666,260
Depreciation attributable to revaluation surplus	-	-	-	(660)	-	-	-	660	-	-
Acquisition of additional interest in a subsidiary	-	-	-	-	-	-	-	-	(232)	(232)
Exchange difference arising on translation of foreign subsidiaries	-	-	5,159	-	-	-	-	-	102	5,261
Share of movements of an associate	-	-	2,188	-	-	-	-	-	-	2,188
Reversal of deferred taxation liabilities arising from depreciation attributable to revaluation surplus	-	-	-	116	-	-	-	-	-	116
Issue of shares (net of expenses)	3,620	755,932	-	-	-	-	-	-	-	759,552
Spin-off distribution	-	-	-	-	-	-	-	(211,254)	-	(211,254)
Dividend payable	-	-	-	-	-	-	(106,515)	-	-	(106,515)
Profit for the period	-	-	-	-	-	-	-	486,543	128	486,671
As at 30th September, 2007 (unaudited)	17,752	2,774,536	26,843	74,313	6,030	10	597,344	2,104,807	412	5,602,047

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

Six months ended

30th September,

	2008 (unaudited) HK\$'000	2007 (unaudited) HK\$'000
Net cash generated from (used in)		
operating activities	44,666	(454,911)
Net cash used in investing activities	(1,043,982)	(1,586,788)
Net cash generated from financing activities	1,035,417	1,977,511
Net increase (decrease) in cash and cash equivalents	36,101	(64,188)
Effect of exchange rate changes	(3,551)	(529)
Cash and cash equivalents at the beginning of the period	160,709	130,434
Cash and cash equivalents at the end of the period	193,259	65,717

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

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

2. PRINCIPAL ACCOUNTING POLICIES

The accounting policies used in the preparation of the interim financial statements are consistent with those used in the annual financial statements for the year ended 31st March, 2008 apart from the adoption of certain new Hong Kong Financial Reporting Standards ("HKFRs"), amendments and interpretations (collectively the "New HKFRSs"), issued by HKICPA that are effective for accounting periods beginning on or after 1st January, 2008.

The adoption of the New HKFRSs has had no material effect on how the results and financial position for the current or prior periods are prepared and presented.

The Group has not early applied the HKFRSs that have been issued but are not yet effective. The Directors of the Company anticipate that the application of those HKFRSs will have no material impact on the financial statements of the Group.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (Continued)

3. SEGMENT INFORMATION

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

	Segment revenue		Segment results	
	Six months ended 30th September,		Six months ended 30th September,	
	2008 (unaudited) HK\$'000	2007 (unaudited) HK\$'000	2008 (unaudited) HK\$'000	2007 (unaudited) HK\$'000
Business segments				
<i>Continuing operations:</i>				
Lease of properties	133,834	93,946	(837,975)	601,539
Sales of properties	-	5,908	(12,218)	(2,000)
Hotel operation	25,776	34,186	2,504	3,015
Others	1,327	1,875	1,171	2,268
	160,937	135,915	(846,518)	604,822
<i>Discontinued operation:</i>				
Securities brokerage and financing	-	4,951	-	1,664
	160,937	140,866	(846,518)	606,486
Interest income			1,803	3,579
Corporate general and administrative expenses			(29,215)	(26,823)
Finance costs			(58,560)	(70,950)
Share of associates' results after taxation			7,588	51,343
Taxation			84,761	(76,964)
(Loss) Profit for the period			(840,141)	486,671

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (Continued)

4. (LOSS) PROFIT FROM OPERATIONS

Loss from operations for the Period has been arrived at after charging amortisation and depreciation of approximately HK\$13,741,000 (2007: HK\$12,385,000) in respect of the Group's property, plant and equipment and crediting dividend income from securities of approximately HK\$146,000 (2007: HK\$21,000).

5. TAXATION

	Six months ended 30th September,	
	2008 (unaudited) HK\$'000	2007 (unaudited) HK\$'000
The charge comprises:		
<i>Continuing operations:</i>		
Hong Kong Profits Tax	(3,949)	(1,420)
Deferred taxation	88,709	(75,544)
	84,760	(76,964)
<i>Discontinued operation:</i>	-	-
	84,760	(76,964)

Hong Kong Profits Tax is calculated at 16.5% (2007: 17.5%) of the estimated assessable profit.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (Continued)

6. DISCONTINUED OPERATION

On 24th April, 2007, the Group discontinued its securities brokerage and financing business as a result of a spin-off by way of distribution and offered shares of Emperor Capital Group Limited for separate listing on the Stock Exchange.

Their operating results are as follows:

	Six months ended 30th September,	
	2008 (unaudited) HK\$'000	2007 (unaudited) HK\$'000
Turnover	-	4,951
Expenses	-	(3,287)
Profit for the period	-	1,664

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (Continued)

7. (LOSS) EARNINGS PER SHARE

	Six months ended 30th September,	
	2008 (unaudited) HK\$'000	2007 (unaudited) HK\$'000
The calculation of basic and diluted (loss) earnings per share is based on the following data:		
(Loss) Profit attributable to equity holders for the purpose of calculating basic and diluted (loss) earnings per share	(839,885)	486,543

	Number of shares	
Weighted average number of ordinary shares for the purpose of calculating basic (loss) earnings per share	1,775,246,134	1,562,108,564
Effect of dilutive potential ordinary shares from share options	5,196,850	2,429,907
Weighted average number of ordinary shares for the purpose of calculating diluted (loss) earnings per share	1,780,442,984	1,564,538,471

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (Continued)

7. (LOSS) EARNINGS PER SHARE (CONTINUED)

No effect on earnings and number of shares due to the dilutive potential shares on the share of result of a listed associate has been presented as the exercise price of these potential shares was higher than the average market price of the shares of the associate for both periods.

From continuing operations:

The calculation of basic and diluted (loss) earnings per share from continuing operations is based on the following data:

(Loss) profit attributable to equity holders for the purpose of calculating basic and diluted (loss) earnings per share	(839,885)	486,543
Less: Profit from discontinued operation	-	1,664
<hr/>		
(Loss) profit for the purpose of basic and diluted (loss) earnings per share from continuing operations	(839,885)	484,879

From discontinued operation:

Basic and diluted earnings per share for discontinued operation for 2007 were HK\$0.001 per share, based on the profit from discontinued operation of HK\$1,664,000.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (Continued)

8. ADDITIONS TO INVESTMENT PROPERTIES AND PROPERTY, PLANT AND EQUIPMENT

During the Period, the Group acquired investment properties and property, plant and equipment amounting to approximately HK\$1,187,636,000 and HK\$21,398,000 (2007: HK\$819,818,000 and HK\$27,655,000) respectively.

9. DEBTORS, DEPOSITS AND PREPAYMENTS

In general, the Group grants credit periods ranging from 0 to 30 days to its customers.

The following is an age analysis of trade debtors as at the balance sheet date:

	As at	
	30th September, 2008 (unaudited) HK\$'000	31st March, 2008 (audited) HK\$'000
0 – 30 days	3,365	5,674
31 – 90 days	189	505
91 – 180 days	-	325
Over 180 days	129	235
	3,683	6,739
Other receivables	81,932	78,756
Deposits and prepayments	63,823	22,257
	149,438	107,752

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (Continued)

10. CREDITORS, CUSTOMER DEPOSITS AND ACCRUED CHARGES

The following is an age analysis of trade creditors as at the balance sheet date:

	As at	
	30th September, 2008 (unaudited) HK\$'000	31st March, 2008 (audited) HK\$'000
0 – 90 days	5,676	4,584
91 – 180 days	938	31
Over 180 days	–	87
	6,614	4,702
Other creditors	217,941	200,838
Deposits and accruals	308,554	159,817
	533,109	365,357

11. CAPITAL COMMITMENTS

	As at	
	30th September, 2008 (unaudited) HK\$'000	31st March, 2008 (audited) HK\$'000
Authorised but not contracted for in respect of:		
– property investment and development projects	656,280	541,810
– property, plant and equipment	1,936	–
Contracted for but not provided in the financial statements, net of deposits paid, in respect of:		
– property investment and development projects	353,165	319,652
– investment properties	176,194	708,670
– property, plant and equipment	55,449	35,175
	1,243,024	1,605,307

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (Continued)

12. RELATED PARTY TRANSACTIONS

During the Period, the Group had the following significant transactions with related parties:

	Six months ended 30th September,	
	2008 (unaudited) HK\$'000	2007 (unaudited) HK\$'000
Rental received from related companies (note ii)	33,574	17,370
Reimbursement of expenses received from related companies and an associate (note iii)	21,066	18,336
Interest paid to a related company (note iv)	16,967	-
Professional and service fees received from an associate and related companies (note ii)	435	1,001
Interest paid to a major shareholder (note iv)	-	10,849
Interest received from an associate (note iv)	-	1,670

Notes:

- (i) A director and a major shareholder of the Company have beneficial interests in the related companies.
- (ii) These transactions were carried out after negotiations between the Group and the related parties and on the basis of estimated market value as determined by the Directors of the Company.
- (iii) The expenses reimbursed represent administrative expenses charged at cost.
- (iv) The interest is calculated by reference to the principal outstanding and at the prevailing market interest rates.

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

As at 30th September, 2008, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporation(s) (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") of the Listing Rules were as follows:

(a) Long position interests in the Company

(i) Ordinary shares of HK\$0.01 each of the Company

Name of director	Capacity/ Nature of interests	Number of ordinary shares held	Approximate percentage holding
Ms. Luk Siu Man, Semon ("Ms. Semon Luk") (Note 1)	Family	992,635,364	55.92%

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SECURITIES (Continued)

(a) Long position interests in the Company (Continued)

(ii) Share options

Name of director	Nature of interests	Number of ordinary shares/ underlying shares	Approximate percentage holding
Mr. Wong Chi Fai (Note 2)	Beneficial owner	15,000,000	0.84%
Ms. Fan Man Seung, Vanessa ("Ms. Vanessa Fan") (Note 2)	Beneficial owner	15,000,000	0.84%
Mr. Cheung Ping Keung (Note 2)	Beneficial owner	5,000,000	0.28%
Ms. Mok Fung Lin, Ivy (Note 2)	Beneficial owner	2,500,000	0.14%

Notes:

- These 992,635,364 shares were held by Charron Holdings Limited ("Charron"). The entire issued share capital of Charron was held by Jumbo Wealth (PTC) Limited ("Jumbo Wealth") (formerly known as Jumbo Wealth Limited) on trust for The A&A Unit Trust. The A&A Unit Trust was a unit trust under The Albert Yeung Discretionary Trust ("AY Trust"), a discretionary trust set up by Dr. Yeung Sau Shing, Albert ("Dr. Albert Yeung"). Dr. Albert Yeung, as founder of the AY Trust, was deemed to be interested in the 992,635,364 shares held by Charron. By virtue of the aforesaid interest of Dr. Albert Yeung, Ms. Semon Luk (spouse of Dr. Albert Yeung and a Director) was also deemed to be interested in the above shares held by Charron.
- The share options were granted to Directors under the share option scheme of the Company.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SECURITIES (Continued)

(b) Long position interests in associated corporations

(i) Ordinary shares

Name of Director	Name of associated corporation	Capacity	Number of issued ordinary share(s) held	Percentage of the issued share capital
Ms. Semon Luk	Charron (Note 1)	Family	1	100.00%
Ms. Semon Luk	Jumbo Wealth (Note 1)	Family	1	100.00%
Ms. Semon Luk	Surplus Way Profits Limited ("Surplus Way") (Note 2)	Family	1	100.00%
Ms. Semon Luk	Emperor Entertainment Group Limited ("EEG") (Note 2)	Family	204,484,000	78.65%
Ms. Semon Luk	Emperor Entertainment Hotel Limited ("EEH") (Note 3)	Family	439,138,571	43.43%

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SECURITIES (Continued)

(b) Long position interests in associated corporations (Continued)

(ii) Share options

Name of Director	Name of associated corporation	Capacity/ nature of interests	Number of underlying shares held	Approximate percentage holding
Mr. Wong Chi Fai (Note 5)	EEH (Note 4)	Beneficial owner	5,000,000	0.49%
Ms. Vanessa Fan (Note 5)	EEH (Note 4)	Beneficial owner	5,000,000	0.49%

Notes:

- Charron was interested in 992,635,364 shares, representing approximately 55.92% of the total issued share capital of the Company. The entire issued share capital of Charron was held by Jumbo Wealth on trust for The A&A Unit Trust, a unit trust under the AY Trust. Dr. Albert Yeung, as founder of the AY Trust, was deemed to be interested in the share capital of Charron and Jumbo Wealth. By virtue of the aforesaid interests of Dr. Albert Yeung, Ms. Semon Luk (being spouse of Dr. Albert Yeung and a Director) was also deemed to be interested in the share capital of Charron and Jumbo Wealth.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SECURITIES (Continued)

(b) Long position interests in associated corporations (Continued)

(ii) *Share options (Continued)*

Notes: (Continued)

2. EEG is a company with its shares listed in Hong Kong; 204,484,000 shares of EEG were held by Surplus Way. The entire issued share capital of Surplus Way was held by Jumbo Wealth on trust for The A&A Unit Trust, a unit trust under the AY Trust. By virtue of the interests of The A&A Unit Trust in Surplus Way and EEG, both Surplus Way and EEG were associated corporations of the Company. Dr. Albert Yeung, as founder of the AY Trust, was deemed to be interested in the share capital of Surplus Way and EEG. By virtue of the aforesaid interests of Dr. Albert Yeung, Ms. Semon Luk (being spouse of Dr. Albert Yeung and a Director) was also deemed to be interested in the above shares.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SECURITIES (Continued)

(b) Long position interests in associated corporations (Continued)

(ii) Share options (Continued)

Notes: (Continued)

3. EEH is a company with its shares listed in Hong Kong; 439,138,571 shares of EEH were held by Worthly Strong Investment Limited ("Worthly Strong"). The entire issued share capital of Worthly Strong was indirectly held by the Company. By virtue of the interests of the Company in EEH, EEH was an associated corporation of the Company. Charron was interested in 992,635,364 shares, representing 55.92% of the total issued share capital of the Company. The entire issued share capital of Charron was indirectly owned by the AY Trust. Dr. Albert Yeung, as founder of the AY Trust, was deemed to be interested in the 439,138,571 shares in the share capital of EEH. By virtue of the aforesaid interests of Dr. Albert Yeung, Ms. Semon Luk (being spouse of Dr. Albert Yeung and a Director) was also deemed to be interested in the above shares.
4. These were share options granted to Directors under the share option scheme of EEH.

Save as disclosed above, as at 30th September, 2008, none of the Directors, chief executives nor their associates had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations.

SHARE OPTIONS

The Company adopted a share option scheme ("Share Option Scheme") on 9th September, 2003 (the "Adoption Date") to provide incentives or rewards to participants including the Directors and eligible employees of the Group.

Under the Share Option Scheme, the Directors of the Company are authorised, at any time within ten years after the Adoption Date, to grant options to any participant to subscribe for shares in the Company at a price not less than the highest of (i) the closing price of the Company's shares on the date of grant; (ii) the average closing prices of the Company's shares for the five trading days immediately preceding the date of grant; (iii) the nominal value of the Company's share. A nominal consideration of HK\$1 is payable on acceptance of the grant of options.

Details of movements in the number of share options are set out below:

Name of grantee	Date of grant	Exercise period	Exercise price of the share option	No. of share options outstanding as at 1st April, 2008	No. of share options outstanding as at 30th September, 2008
Mr. Wong Chi Fai	11th Aug., 2005	11th Aug., 2005 – 10th Aug., 2015	HK\$1.88	10,000,000	10,000,000
	28th Jan., 2008	28th Jan., 2008 – 27th Jan., 2013	HK\$2.91	5,000,000	5,000,000
Ms. Vanessa Fan	11th Aug., 2005	11th Aug., 2005 – 10th Aug., 2015	HK\$1.88	10,000,000	10,000,000
	28th Jan., 2008	28th Jan., 2008 – 27th Jan., 2013	HK\$2.91	5,000,000	5,000,000
Ms. Mok Fung Lin, Ivy	28th Jan., 2008	28th Jan., 2008 – 27th Jan., 2013	HK\$2.91	2,500,000	2,500,000
Mr. Cheung Ping Keung	28th Jan., 2008	28th Jan., 2008 – 27th Jan., 2013	HK\$2.91	5,000,000	5,000,000

During the Period, no options was granted, lapsed, exercised or cancelled under the Share Option Scheme.

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS

As at 30th September, 2008, so far as is known to any Director or chief executive of the Company, the following persons (other than a director or chief executive of the Company) who had interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO or as otherwise notified to the Company were as follows:

Long positions in ordinary shares of HK\$0.01 each of the Company

Name of shareholder	Capacity/ Nature of interests	Number of ordinary shares interested or deemed to be interested (long position)	Approximate percentage holding
Charron (<i>Note</i>)	Beneficial owner	992,635,364	55.92%
Jumbo Wealth (<i>Note</i>)	Trustee	992,635,364	55.92%
GZ Trust Corporation ("GZ Trust") (<i>Note</i>)	Trustee	992,635,364	55.92%
Dr. Albert Yeung (<i>Note</i>)	Founder of the AY Trust	992,635,364	55.92%
Penta Investment Advisers Limited	Investment manager	339,604,000	19.13%
John Zwaanstra	Interest in a controlled corporation	339,604,000	19.13%

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS (Continued)

Long positions in ordinary shares of HK\$0.01 each of the Company
(Continued)

Name of shareholder	Capacity/ Nature of interests	Number of ordinary shares interested or deemed to be interested (long position)	Approximate percentage holding
Mercurius GP LLC	Founder of the Mercurius Partners Trust	149,818,000	8.44%
Penta Asia Fund, Ltd.	Interest in a controlled corporation	149,818,000	8.44%
Todd Zwaanstra	Trustee of Mercurius Partners Trust	149,818,000	8.44%
Desmarais Paul G.	Interest in a controlled corporation	141,846,000	7.99%
Gelco Enterprises Ltd.	Interest in a controlled corporation	141,846,000	7.99%
IGM Financial Inc.	Interest in a controlled corporation	141,846,000	7.99%
Nordex Inc.	Interest in a controlled corporation	141,846,000	7.99%
Power Corporation of Canada	Interest in a controlled corporation	141,846,000	7.99%

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS (Continued)

Long positions in ordinary shares of HK\$0.01 each of the Company
(Continued)

Name of shareholder	Capacity/ Nature of interests	Number of ordinary shares interested or deemed to be interested (long position)	Approximate percentage holding
Power Financial Corporation	Interest in a controlled corporation	141,846,000	7.99%
Mackenzie Cundill Recovery Fund	Beneficial owner	125,428,000	7.07%
Cheah Cheng Hye	Founder of the C H Cheah Family Trust	88,972,000	5.01%
Cheah Capital Management Limited	Interest in a controlled corporation	88,972,000	5.01%
Cheah Company Limited	Interest in a controlled corporation	88,972,000	5.01%
Hang Seng Bank Trustee International Limited	Trustee	88,972,000	5.01%
To Hau Yin	Family interest	88,972,000	5.01%
Value Partners Group Limited	Interest in a controlled corporation	88,972,000	5.01%
Value Partners Limited	Investment manager	88,972,000	5.01%

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS (Continued)

Long positions in ordinary shares of HK\$0.01 each of the Company (Continued)

Note:

The 992,635,364 shares were held by Charron. The entire issued share capital of Charron was held by Jumbo Wealth on trust for The A&A Unit Trust, a unit trust under the AY Trust, the trustee of which was GZ Trust. GZ Trust was deemed to be interested in the shares held by Charron as trustee of the AY Trust. Dr. Albert Yeung, as founder of the AY Trust, was also deemed to be interested in the shares held by Charron.

The above shares were the same shares as those set out under paragraph headed "Directors' and Chief Executives' Interests and Short Position in Securities" above.

Save as disclosed above, as at 30th September, 2008, 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 any interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO or as otherwise notified to the Company.

CORPORATE GOVERNANCE

Code on Corporate Governance Practice

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

Model Code for Securities Transactions

The Company had adopted the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") as set out in Appendix 10 of the Listing Rules as the rules governing dealings by the Directors in the listed securities of the Company. Having made specific enquiry to all the Directors of the Company, all of them confirmed that they have complied with the required standard of dealings as set out in the Model Code.

REVIEW OF INTERIM REPORT

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

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, 16th December, 2008

As at the date hereof, the Board of the Company comprises:

Non-executive Director:

Ms. Luk Siu Man, Semon (*Chairperson*)

Executive Directors:

Mr. Wong Chi Fai (*Managing Director*)

Ms. Fan Man Seung, Vanessa (*Managing Director*)

Mr. Cheung Ping Keung

Ms. Mok Fung Lin, Ivy

Independent Non-Executive Directors:

Mr. Chan Man Hon, Eric

Mr. Liu Hing Hung

Mr. Law Ka Ming, Michael