



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

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

ACCELERATING TO  
SUCCEED

INTERIM REPORT  
2011/2012

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## FINANCIAL HIGHLIGHTS (UNAUDITED)

	Six months ended		
	30th September,		
	2011	2010	
		(restated)	Change
	HK\$'000	HK\$'000	
Turnover			
Lease of properties	217,779	188,948	
Properties development	3,342	930	
Hotel and hotel related operations	827,363	643,992	
Total turnover	1,048,484	833,870	+25.7%
Gross Profit	815,613	617,457	+32.1%
Segment profit/(loss)			
Lease of properties	194,759	174,191	
Properties development	(61,473)	(70,949)	
Hotel and hotel related operations	287,099	195,755	
Total segment profit	420,385	298,997	+40.6%
Revaluation gain on properties	1,561,530	1,126,204	+38.7%
Profit for the period attributable to owners of the Company	1,655,287	1,142,091	+44.9%
Earnings per share			
Basic	HK\$0.45	HK\$0.38	+18.4%
Diluted	HK\$0.45	HK\$0.38	+18.4%

# MANAGEMENT DISCUSSION AND ANALYSIS

Emperor International Holdings Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) principally engages in property investments, property development and operation of hotels in Hong Kong, Macau and the People’s Republic of China (the “PRC”).

## FINANCIAL REVIEW

### **Overall Review**

The Group continued to deliver solid performance on all business fronts for the 6 months ended 30th September, 2011 (the “Period”), taking advantages of its strong business position and growth potential.

Attributable to the steady growth of rental income contributed by the Group’s quality investment property portfolio and solid cash inflow from casino operations in Macau, the Group reported total revenue of approximately HK\$1,048.5 million (2010: HK\$833.9 million) during the Period, representing an increase of 25.7%.

Rental income from investment properties had been continuing to be the key contributor to the revenue of the Group during the Period, taking up 20.8% of the Group’s total revenue with a satisfactory increase of 15.3% to HK\$217.8 million. Due to the asset appreciation of prime retail properties and sale of investment properties, the revaluation gain on investment properties during the Period increased to HK\$1,561.5 million (2010: HK\$1,126.2 million). The profit for the Period attributable to owners of the Company was HK\$1,655.3 million (2010: HK\$1,142.1 million).

Basic and diluted earnings per share were HK\$0.45 (2010: HK\$0.38) and HK\$0.45 (2010: HK\$0.38) respectively. The board of directors of the Company (the “Board” or the “Director(s)”) has declared an interim dividend of HK\$0.05 per share.

### **Liquidity And Financial Resources**

As at 30th September, 2011, the Group’s net asset value and net asset value per share amounted to HK\$14,908.0 million and HK\$4.07 per share respectively. The Group had a total gross area of over 5 million square feet in Hong Kong, Macau and PRC for development and redevelopment.

The Group has bank balances and cash amounted to HK\$1,394.4 million as at 30th September, 2011. The total external borrowings (excluding payables) amounted to approximately HK\$8,750.8 million and the Group maintained a debt to total asset ratio of 31.3% (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 operation. The Group’s bank borrowings were denominated in Hong Kong dollars and Renminbi (“RMB”) and their interest rates followed market rates. The Group’s bank balances and cash were also denominated in Hong Kong dollars, RMB and Macau Pataca (“MOP”). Since RMB and MOP are relatively stable, the Group had no material exposure to fluctuations in exchange rates.

# MANAGEMENT DISCUSSION AND ANALYSIS

## BUSINESS REVIEW

### Investment Property

The overall occupancy rate of the Group's retail portfolio was 99.2% during the Period, which is attributable to the prime locations of the majority of the Group's retail premises.

#### *Hong Kong*

The Group owns many premium investment properties with a strong focus on high-end street level retail space at the most renowned shopping districts in Hong Kong. Key investment properties include the retail shops located at **Nos. 8, 20, 22-24 and 50-56, Russell Street, No. 76, Percival Street** and **Nos. 507, 523, Lockhart Road** in Causeway Bay, **Nos. 4, 6 and 8, Canton Road** and **No. 81, Nathan Road** in Tsim Sha Tsui, shopping mall at **Emperor Group Centre** in Wanchai, **Fitfort Shopping Arcade** in North Point and **Emperor Plaza** in Tsuen Wan. During the Period, Emperor International Square, which was acquired by the Group in April 2008, has been sold.

At present, **Russell Street**, Causeway Bay, is ranked as one of the top two most expensive shopping streets in the world in terms of rental price per square foot. The Group has the largest coverage at the street-level shops at Russell Street with a promising traffic, resulting in a notable surge in rental growth. During the Period, the Group carried out a series of renovation work and tenant remix program at **Fitfort Shopping Arcade** and **Emperor Plaza** in order to expand the rental-generating area and enhance the rental value by fully utilising the spacious areas, increasing the number of retail units and inviting anchor tenants. The significant rental growth, full occupancy rate and high capital appreciation once again demonstrate the Group's expertise on value enhancement for its investment properties through the strengths of the management execution.

**The Pulse**, a multi-functional beach-front leisure and recreation complex with a gross floor area of 143,000 square feet in Repulse Bay, which is the most dazzling beach in Hong Kong, will become a favourite spot for dining and shopping for tourists and affluent residents in that area. This project is approaching to completion during the Period. The Group plans to commence leasing activity in 2012 once the current issue between the Government's Lands Department and the Group has been resolved.

#### *Macau*

In Macau, the building plan for the redevelopment of a premium city-centre property at **Nos. 71-75, Avenida do Infante D Henrique & Nos. 514-520, 526-528, 532-540, Avenida da Praia Grande** with a total gross floor area of 30,000 square feet has been approved during the Period and its demolition work has commenced subsequent to the Period. The new retail complex is expected to generate a stable rental income upon completion of redevelopment in 2013.

## **The PRC**

In the PRC, approximately 95% of clearance work of the site along **Chang'an Avenue East** in Beijing has been completed as at 30th September, 2011. It is planned to be developed into a comprehensive high grade commercial complex with a total gross area of approximately 1,000,000 square feet, including retail and car parking facilities at its basement. The project will include a retail podium with high-end entertainment hot spots and a Grade-A office tower.

Regarding the **Emperor Star City** located in Yu Yuan, Huang Pu District, Shanghai, the property will be developed into a shopping arcade and hotel or service apartment complex at the prime site of 246,200 square feet, which is adjacent to the Shanghai M10 subway route. Its foundation and basement excavation work for the development has been completed. The main part of the complex will be a multi-storey shopping arcade with an expected total gross area of 1,300,000 square feet. The Group expects such project will generate stable rental revenue upon completion in the future. The Group however is now waiting for the outcome of the litigation as set out in the section "Contingent Liabilities" below.

## **Property Development**

To capitalise on the growing demand for residential properties, the Group has commenced the pre-sale of **Harbour One**, the Group's sea-view luxury residential development in the Western District, and **The Java**, a high-end multi-storey composite building in North Point, in 2010.

**Harbour One**, which comprises a 38-storey luxury residential tower with 103 flats and a total gross area of approximately 140,000 square feet, is expected to be completed in the first quarter of 2012. Its pre-sale has been commenced in May 2010. Well received by an overwhelming market response, approximately 52% of its units have been sold within one week. As at 30th September, 2011, over 93% of its units have been sold at an average selling price of HK\$15,200 per square foot. Its profit should be recognised in the first half of financial year of 2012/2013.

The occupation permit for **The Java**, which comprises a 32-storey tower with 75 flats and 3 shops and a total gross area of approximately 69,000 square feet, was issued in October 2011. Its pre-sale has been commenced in July 2010. As at 30th September, 2011, over 95% of its units have been sold at an average selling price of HK\$12,500 per square foot. Its profit should be recognised in the financial year of 2011/2012.

Another masterpiece urban redevelopment of the Group, **18 Upper East**, Shing On Street, Sai Wan Ho, is a 34-storey composite building with a total of 108 flats and 7 shops and the total gross area of approximately 83,000 square feet. Its pre-sale has been commenced in mid-April 2011. As at 30th September, 2011, over 84% of its units have been sold at an average selling price of HK\$11,200 per square foot. The project is expected to be completed in 2012 and its profit should be recognised in the financial year of 2012/2013.

## MANAGEMENT DISCUSSION AND ANALYSIS

The redevelopment work on **No. 396-400, Prince Edward Road West**, Kowloon is in progress. The site on Prince Edward Road West, which is close to the Shatin to Central Rail Link, will be developed into a multi-storey residential/commercial block with a total gross floor area of approximately 30,000 square feet with target completion in 2012.

Following the unification of title of the site located at **No. 179-180 Connaught Road West & No. 345-345A, Des Voeux Road West, Hong Kong** (previously known as **Cheung Ka Industrial Building**), the property is planned to be redeveloped into a luxury composite retail/residential building with a panoramic view of the Victoria Harbour of a total gross floor area amounting to approximately 185,000 square feet. Demolition work has been commenced in the fourth quarter of 2011 and the entire project is expected to be completed in 2015.

To comply with the Group's market positioning and business focus, the site at **DD210, Ho Chung, Sai Kung** will be developed into a luxury low-rise residential complex with a total gross floor area of approximately 26,000 square feet. It will be developed into 13 detached or semi-detached sea-view houses to meet the high demand of luxury low-rise residential properties.

### Hotel Operations and Related Services

This section mainly includes the revenue derived from **Emperor (Happy Valley) Hotel** in Hong Kong and contributions made by **Grand Emperor Hotel** in Macau, whose income from hospitality and related services had been consolidated with the Group. This revenue segment surged significantly by 28.5% to HK\$827.4 million, accounting for 78.9% of the Group's total revenue during the Period.

**Emperor (Happy Valley) Hotel** in Hong Kong generates revenue mainly from the hotel's accommodation services as well as the food and beverage services. During the Period, the Group had been continuing to diversify its guest mix and put great weight in developing high-yield corporate customers.

During the Period, the Group has successfully won the bid, through Government tender, for a prominent site at **No. 373 Queen's Road East, Wanchai** with the site area of 7,720 square feet and construction area of 115,000 square feet. Strategically located in the business district of Wanchai with easy access to public transportation, the site will be built as a premium 4-star hotel, which serves as an attractive alternative for business travellers and tourists in the region. Demolition work is scheduled to commence after the Period. Expected to be completed by 2014, the premier 30-storey hotel with about 300 rooms will offer its guests a full-range of leisure, dining and parking facilities.

# MANAGEMENT DISCUSSION AND ANALYSIS

## OUTLOOK

The unresolved European debt issue and uncertain economic prospects in the United States and Japan would continue to pose great challenges and risks in the coming years, the market outlook for the Group therefore is still positive in long-term, particularly Hong Kong has a well-established infrastructure, low tax regime and the increase of purchasing powers of mainlanders.

Rental income from prime retail properties are expected to grow significantly due to the increase in tenants' business turnover benefited from the continuous growth in Mainland China. It is expected that **The Pulse** will bring a substantial and stable rental income to the Group. Meanwhile, upon the final completion of **The Java** and **Prince Edward Road West**, their leases of retail shops will further consolidate the Group's property investment portfolio and expand the rental income base.

The Group has taken a more pro-active approach for property development recently. The Group believes that speeding up the property development projects will further increase the earnings visibility. Upon the final completion of **The Java** in the financial year of 2011/2012, and **Harbour One, 18 Upper East** and **Prince Edward Road West** in the financial year of 2012/2013, the Group is looking forward to receiving a remarkable sales proceeds for these projects.

With the growing confidence of both end-users and investors, the Group will dedicate to secure a steady return rate from the sale of residential property development. The Group is planning to redevelop the **Emperor (Happy Valley) Hotel** into a luxury residential project with parking and clubhouse facilities, which will be a significant luxury residential property close to the well-known Happy Valley racecourse.

Looking forward, the Group will continue to be cautious in seeking investment opportunities to enhance the shareholders' return. With its management execution strengths and market insights, the Group will strive to further enhance its competitive position and aim to become a key property player in the Greater China region.

## EMPLOYEES AND REMUNERATION POLICY

The total cost incurred for staff including Directors' emoluments amounted to HK\$200.2 million during the Period as compared with HK\$171.4 million in the last corresponding period. The number of staff was approximately 1,452 as at the end of the Period. All employees are under remuneration policy of fixed monthly salary with discretionary bonus. Staff benefits include contributions to retirement benefit scheme, medical insurance and other fringe benefits.

To provide incentives or rewards to staff, the Company adopted a share option scheme on 9th September, 2003. During the Period, no share option had been granted and outstanding share options as at 30th September, 2011 was 37,693,161 share options.



# MANAGEMENT DISCUSSION AND ANALYSIS

## ASSETS PLEDGED

As at the end of the Period, assets with carrying value of HK\$18,324.6 million were pledged as security for banking facilities.

## CONTINGENT LIABILITIES

In October 2006, Expert Pearl Limited and its subsidiaries (“Expert Pearl Group”), formerly wholly owned subsidiaries of Emperor Entertainment Hotel Limited (“EEH”), that became wholly owned subsidiaries of the Company as from 15th February, 2011, commenced legal proceedings against the joint venture partner (“JV Partner”) in Shanghai, the PRC, for termination of the joint venture agreement (“JV Agreement”) in respect of the development of the Expert Pearl Group’s property in Shanghai as a result of the JV Partner’s failure to settle the outstanding payment and construction costs in accordance with the terms of the JV Agreement. Expert Pearl Group also claimed against the JV Partner for forfeiture of the JV Partner’s contribution to the project and further contribution by the JV Partner of outstanding payment and construction costs totalling RMB83,620,000 (equivalent to HK\$102,552,000). The JV Partner contested the proceedings and counterclaimed against Expert Pearl Group for RMB100,000,000 (equivalent to HK\$122,641,000) as damages for breach of the JV Agreement. The JV Partner’s contribution of RMB27,130,000 (equivalent to HK\$33,272,000) has not been recognised as assets by EEH, pending the outcome of the legal proceedings.

On 28th December, 2010, Expert Pearl Group received the judgement from the Shanghai No. 2 Intermediate People’s Court under which the Expert Pearl Group’s request for termination of the JV Agreement and its other claims were not granted, and the JV Agreement shall continue to have effect. On the other hand, the JV Partner’s counterclaim was also rejected. Expert Pearl Group filed an appeal against the judgement to the Shanghai High People’s Court. On 1st June, 2011, after the disposal of Expert Pearl Group by EEH to the Company, the Group received the judgement from the Shanghai High People’s Court under which the Expert Pearl Group’s appeal was dismissed and the JV Agreement shall continue to have effect. In August 2011, Expert Pearl Group had lodged an application to the Supreme People’s Court for retrial.

In July 2008, Gold Shine Investment Limited (“Gold Shine”), an indirectly held subsidiary of the Company, commenced legal proceedings seeking declarations from the Court in respect of interpretation of the government lease relating to its investment properties under development situated in Repulse Bay. A land premium may have to be paid to the government of the HKSAR in order for the properties to be rent out if the declarations sought were not granted to the Group. The court of first instance declined to grant the declarations sought. Gold Shine had lodged an appeal. The date for the appeal hearing has not yet been fixed up to the date these consolidated financial statements were authorised for issuance. The Group is of the view that the ultimate outcome of the case is not determinable at this stage and no provision was made by the Group.

# MANAGEMENT DISCUSSION AND ANALYSIS

## INTERIM DIVIDEND

The Board has declared an interim dividend of HK\$0.05 per share (“Dividend”) for the financial year ending 31st March, 2012 (2010/2011: HK\$0.048 per share), amounting to approximately HK\$183.3 million (2010/2011: HK\$142.5 million). The Dividend will be payable on 23rd December, 2011 (Friday) to shareholders whose names appear on the register of members of the Company at the close of business on 16th December, 2011 (Friday).

## CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed, for the purpose of determining shareholders’ entitlement to the Dividend, from 15th December, 2011 (Thursday) to 16th December, 2011 (Friday) (both dates inclusive), during which period no share transfer will be effected.

In order to qualify for the 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 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on 14th December, 2011 (Wednesday). Dividend warrants will be despatched on 23rd December, 2011 (Friday).

The Board is pleased to announce the unaudited condensed consolidated results of the Group for the Period together with comparative figures for the corresponding period in 2010 as set out below:

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

*For the six months ended 30th September, 2011*

		<b>Six months ended 30th September, 2011 (unaudited) HK\$'000</b>	2010 (unaudited) (restated) HK\$'000
	Notes		
Turnover		<b>1,048,484</b>	833,870
Cost of sales		<b>(1,288)</b>	(576)
Cost of hotel and hotel related operations		<b>(217,275)</b>	(202,220)
Direct operating expenses		<b>(14,308)</b>	(13,617)
Gross profit		<b>815,613</b>	617,457
Other income		<b>17,855</b>	16,859
Selling and marketing expenses		<b>(298,930)</b>	(247,623)
Administrative expenses		<b>(161,668)</b>	(116,423)
Fair value change in investment properties		<b>1,561,530</b>	1,126,204
Gain on disposal of subsidiaries	8	<b>26,287</b>	–
Profit from operations	4	<b>1,960,687</b>	1,396,474
Finance costs		<b>(73,208)</b>	(47,336)
Share of associates' results after taxation		<b>10</b>	–
Profit before taxation		<b>1,887,489</b>	1,349,138
Taxation	5	<b>(59,223)</b>	(88,667)
Profit for the Period		<b>1,828,266</b>	1,260,471

		<b>Six months ended 30th September,</b>	
		<b>2011</b>	2010
		<b>(unaudited)</b>	(unaudited)
			(restated)
	Notes	<b>HK\$'000</b>	HK\$'000
<b>Other comprehensive income:</b>			
Exchange difference arising on translation of foreign subsidiaries		<b>66,220</b>	26,282
Total comprehensive income for the Period		<b>1,894,486</b>	1,286,753
<b>Profit for the Period attributable to:</b>			
Owners of the Company		<b>1,655,287</b>	1,142,091
Non-controlling interests		<b>172,979</b>	118,380
		<b>1,828,266</b>	1,260,471
<b>Total comprehensive income attributable to:</b>			
Owners of the Company		<b>1,721,496</b>	1,165,176
Non-controlling interests		<b>172,990</b>	121,577
		<b>1,894,486</b>	1,286,753
Earnings per share – basic	6	<b>HK\$0.45</b>	HK\$0.38
Earnings per share – diluted	6	<b>HK\$0.45</b>	HK\$0.38

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30th September, 2011

		As at 30th September, 2011 (unaudited) HK\$'000	31st March, 2011 (audited) HK\$'000
	Notes		
<b>Non-current assets</b>			
Investment properties	9&10	19,062,684	17,928,096
Property, plant and equipment	9	2,344,824	1,673,463
Deposits paid for acquisition of investment properties/property, plant and equipment		320,342	386,162
Prepaid lease payments		314,130	318,414
Interests in associates		182	172
Amount due from an associate		395	2,645
Deposits in designated bank account for development properties		115,428	39,835
Loans receivable		182,114	178,003
Goodwill		56,683	56,683
Other assets		4,442	4,442
		22,401,224	20,587,915
<b>Current assets</b>			
Inventories		11,254	8,153
Properties held for sale		5,719	6,720
Properties under development		3,105,690	2,654,075
Prepaid lease payments		8,568	8,568
Trade and other receivables	11	1,059,412	922,330
Investments in trading securities		1	1
Taxation recoverable		288	58
Pledged bank deposit		300	300
Bank balances and cash		1,394,362	1,097,053
		5,585,594	4,697,258
<b>Current liabilities</b>			
Trade and other payables	12	2,282,854	1,670,370
Amount due to a related company		776,586	354,919
Amounts due to non-controlling interests of subsidiaries		264,392	203,451
Taxation payable		196,477	164,730
Derivative financial instruments		21,681	–
Secured bank borrowings – due within one year		1,495,117	1,444,112
		5,037,107	3,837,582
<b>Net current assets</b>		548,487	859,676
<b>Total assets less current liabilities</b>		22,949,711	21,447,591

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30th September, 2011

	Notes	As at 30th September, 2011 (unaudited) HK\$'000	31st March, 2011 (audited) HK\$'000
<b>Non-current liabilities</b>			
Amount due to a related company		2,945,617	2,247,790
Amounts due to non-controlling interests of subsidiaries		–	72,983
Secured bank borrowings – due after one year		3,269,064	4,228,511
Deferred taxation		351,120	338,757
		6,565,801	6,888,041
		16,383,910	14,559,550
<b>Capital and reserves</b>			
Share capital		36,668	36,668
Reserves		14,871,293	13,175,593
<b>Equity attributable to owners of the Company</b>		14,907,961	13,212,261
<b>Non-controlling interests</b>		1,475,949	1,347,289
		16,383,910	14,559,550

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital HK\$'000	Share premium HK\$'000	Translation reserve HK\$'000	Share option reserve HK\$'000	Asset revaluation reserve HK\$'000	Other reserve HK\$'000	Contributed surplus HK\$'000	Accumulated profits HK\$'000	Attributable to owners of the Company HK\$'000	Non- controlling interests HK\$'000	Total HK\$'000
As at 1st April, 2011 (audited)	36,668	4,542,224	152,557	20,987	130,880	241,136	60,637	8,027,172	13,212,261	1,347,289	14,559,550
Profit for the Period	-	-	-	-	-	-	-	1,655,287	1,655,287	172,979	1,828,266
Exchange difference arising on translation of foreign subsidiaries	-	-	66,209	-	-	-	-	-	66,209	11	66,220
Total comprehensive income for the period	-	-	66,209	-	-	-	-	1,655,287	1,721,496	172,990	1,894,486
Deem capital contribution arising from fair value adjustment on amount due to a related company	-	-	-	-	-	164,722	-	-	164,722	-	164,722
Acquisition of additional interest in a subsidiary	-	-	-	-	-	-	-	-	-	(20,136)	(20,136)
Depreciation attributable to revaluation surplus	-	-	-	-	(943)	-	-	1,098	155	-	155
Deemed capital contribution arising from changes in cash flow estimates on amounts due to non-controlling interests of a subsidiary	-	-	-	-	-	-	-	-	-	1,978	1,978
Dividend paid to owners of the Company	-	-	-	-	-	-	(60,637)	(130,036)	(190,673)	-	(190,673)
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(26,172)	(26,172)
As at 30th September, 2011 (unaudited)	36,668	4,542,224	218,766	20,987	129,937	405,858	-	9,553,521	14,907,961	1,475,949	16,383,910
As at 1st April, 2010 (audited)(as restated)	29,683	4,219,139	89,413	20,987	132,727	110	321,848	4,580,317	9,394,224	1,521,162	10,915,386
Profit for the Period	-	-	-	-	-	-	-	1,142,091	1,142,091	118,380	1,260,471
Exchange difference arising on translation of foreign subsidiaries	-	-	23,085	-	-	-	-	-	23,085	3,197	26,282
Total comprehensive income for the period	-	-	23,085	-	-	-	-	1,142,091	1,165,176	121,577	1,286,753
Deem capital contribution arising from fair value adjustment on amount due to a related company	-	-	-	-	-	101,083	-	-	101,083	-	101,083
Depreciation attributable to revaluation surplus	-	-	-	-	(924)	-	-	1,076	152	-	152
Deemed capital contribution arising from changes in cash flow estimates on amounts due to non-controlling interests of a subsidiary	-	-	-	-	-	-	-	-	-	(493)	(493)
Dividend paid to owners of the Company	-	-	-	-	-	-	(118,732)	-	(118,732)	-	(118,732)
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(26,382)	(26,382)
As at 30th September, 2010 (unaudited)	29,683	4,219,139	112,498	20,987	131,803	101,193	203,116	5,723,484	10,541,903	1,615,864	12,157,767

## CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	<b>Six months ended</b>	
	<b>30th September,</b>	
	<b>2011</b>	2010
	<b>(unaudited)</b>	(unaudited)
	<b>HK\$'000</b>	HK\$'000
Net cash generated from operating activities	<b>481,312</b>	314,159
Net cash used in investing activities	<b>(509,137)</b>	(666,089)
Net cash generated from financing activities	<b>320,768</b>	542,355
Net increase in cash and cash equivalents	<b>292,943</b>	190,425
Effect of exchange rate changes	<b>4,366</b>	1,351
Cash and cash equivalents at the beginning of the Period	<b>1,097,053</b>	892,256
Cash and cash equivalents at the end of the Period	<b>1,394,362</b>	1,084,032



# NOTES TO THE CONDENSED FINANCIAL STATEMENTS

*For the six months ended 30th September, 2011*

## 1. BASIS OF PREPARATION

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

These condensed consolidated financial statements should be read in conjunction with the annual financial statements of the year ended 31st March, 2011.

## 2. PRINCIPAL ACCOUNTING POLICIES

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

The accounting policies used in the condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31st March, 2011.

In the Period, the Group has adopted certain new Hong Kong Financial Reporting Standards ("HKFRSs"), amendments and interpretations (collectively the "New HKFRSs"), issued by HKICPA that are effective for accounting periods beginning on or after 1st April, 2011.

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

The Group had not applied any new standards or interpretations that are not yet effective for the current accounting period except as explain below.

During the year ended 31st March, 2011, the Group had early adopted the Amendments to HKAS 12 "Income Taxes", in respect of the recognition of deferred tax on investment properties carried at fair value under HKAS 40 "Investment Property". The Group had applied HKAS 12 retrospectively and the comparative amounts had been restated, where appropriate. The Group's profit and profit attributable to owners of the Company reported for the six months ended 30th September, 2010 was increased by HK\$144,847,000, whereas the Group's basic and diluted earnings per share was increased by HK\$0.04.

## 3. SEGMENT INFORMATION

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

## NOTES TO THE CONDENSED FINANCIAL STATEMENTS

For the six months ended 30th September, 2011

### 3. SEGMENT INFORMATION (Continued)

	Segment revenue Six months ended 30th September,		Segment results Six months ended 30th September,	
	2011 (unaudited)	2010 (unaudited)	2011 (unaudited)	2010 (unaudited) (restated)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>Business segments</b>				
Lease of properties	217,779	188,948	1,756,289	1,300,395
Properties development	3,342	930	(61,473)	(70,949)
Hotel and hotel related operations	827,363	643,992	287,099	195,755
	1,048,484	833,870	1,981,915	1,425,201
Interest income			7,600	2,880
Unallocated corporate expenses, net			(55,115)	(31,607)
Finance costs			(73,208)	(47,336)
Gain on disposal of subsidiaries			26,287	–
Share of associates' results after taxation			10	–
Taxation			(59,223)	(88,667)
Profit for the Period			1,828,266	1,260,471

### 4. PROFIT FROM OPERATIONS

Profit from operations for the Period has been arrived at after charging amortisation and depreciation of approximately HK\$59,732,000 (2010: HK\$64,088,000) in respect of the Group's property, plant and equipment.

### 5. TAXATION

	Six months ended 30th September,	
	2011 (unaudited)	2010 (unaudited) (restated)
	HK\$'000	HK\$'000
The charge comprises:		
Current tax		
Hong Kong Profits Tax	(6,500)	(5,441)
PRC Land Appreciation Tax	1,392	(989)
Macau Complimentary Income Tax	(31,542)	(19,696)
	(36,650)	(26,126)
Deferred tax:	(22,573)	(62,541)
	(59,223)	(88,667)

## NOTES TO THE CONDENSED FINANCIAL STATEMENTS

For the six months ended 30th September, 2011

### 5. TAXATION (Continued)

Hong Kong Profits Tax is calculated at 16.5% (2010: 16.5%) of the estimated assessable profit for the Period.

The Macau Complimentary Income Tax is calculated at the applicable rate of 12% of estimated assessable profits for the Period (2010: 12%).

The provision of Land Appreciation Tax is estimated according to the requirements set forth in the relevant PRC tax laws and regulations. Land Appreciation Tax has been provided at ranges of progressive rates of the appreciation value, with certain allowable deductions including land costs, borrowing costs and the relevant property development expenditures.

### 6. EARNINGS PER SHARE

	Six months ended 30th September,	
	2011	2010
	(unaudited)	(unaudited)
	HK\$'000	HK\$'000
The calculation of basic and diluted earnings per share is based on the following data:		
<b>Earnings</b>		
Earnings for the purpose of calculating basic and diluted earnings per share	1,655,287	1,142,091
	<b>Number of shares</b>	
Weighted average number of ordinary shares for the purpose of calculating basic and diluted earnings per share	3,666,776,192	2,968,310,840

The computation of diluted earnings per share does not assume the exercise of outstanding share options of the Company and its subsidiary, EEH as the exercise prices of those options were higher than average market price of the Company's and EEH's shares during the Period.

### 7. DIVIDEND

	Six months ended 30th September,	
	2011	2010
	(unaudited)	(unaudited)
	HK\$'000	HK\$'000
Final dividend of HK\$0.052 per share for the year ended 31st March, 2011 paid during the Period (year ended 31st March, 2010: HK\$0.04)	190,673	118,732

In respect of the Period, the Board has declared the payment of an interim dividend of HK\$0.05 (2010: HK\$0.048) per share to shareholders.

# NOTES TO THE CONDENSED FINANCIAL STATEMENTS

For the six months ended 30th September, 2011

## 8. DISPOSAL OF SUBSIDIARIES

On 25th July, 2011, the Group disposed of Emperor Investment Intermediary Limited and its subsidiary which are engaged in property investment.

The net asset as at the date of disposal is as follows:

	HK\$'000
Investment properties	850,000
Debtors, deposit and prepayments	4,089
Creditors, customer deposits and accrued charges	(11,277)
Taxation payable	(1,640)
Deferred taxation	(9,316)
Bank loan	(245,111)
	586,745
Gain on disposal	26,287
Total consideration	613,032
	HK\$'000
Cash consideration	613,032
Cash and bank balance disposed of	–
	613,032

## 9. ADDITIONS TO INVESTMENT PROPERTIES, PROPERTY, PLANT AND EQUIPMENT AND PROPERTIES UNDER DEVELOPMENT

During the Period, the Group acquired investment properties, property, plant and equipment and properties under development amounting to approximately HK\$645,724,000, HK\$726,719,000 and HK\$451,615,000 (2010: HK\$714,151,000, HK\$25,482,000 and HK\$64,999,000) respectively.

## 10. INVESTMENT PROPERTIES UNDER DEVELOPMENT

At 30th September, 2011, investment properties under development located at Repulse Bay, of which the construction work is virtually completed, are measured at cost of HK\$613,552,000. The properties are under a legal proceeding with the government of Hong Kong Special Administrative Region ("HKSAR") in relation to the interpretation of the government lease and may result in the Group paying a substantial amount of land premium to the government of HKSAR in order for the properties to be rent out. The uncertainty on the amount of potential land premium is significant that precludes the valuer from measuring its fair value reliably under the Residual Method. Accordingly, these investment properties are measured at cost until the fair value becomes reliably determinable.

## NOTES TO THE CONDENSED FINANCIAL STATEMENTS

For the six months ended 30th September, 2011

### 11. TRADE AND OTHER RECEIVABLES

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

	<b>As at</b> <b>30th September,</b> <b>2011</b> <b>(unaudited)</b> <b>HK\$'000</b>	31st March, 2011 (audited) HK\$'000
0 – 30 days	118,637	147,796
31 – 90 days	51,358	18,503
91 – 180 days	14,481	4,876
Over 180 days	20,604	29,481
	<b>205,080</b>	200,656
Chips on hand	139,002	111,945
Other receivables	553,806	540,703
Deposits and prepayments	161,524	69,026
	<b>1,059,412</b>	922,330

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

No credit period were granted to tenants of rental of premises. Before accepting any new tenant, the Group will internally access the credit quality of the potential tenants.

No credit period were granted to hotel customers generally except for those high credit rating customers to which an average credit period of 30 days were granted.

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

Included in trade and other receivables are amounts due from related companies of HK\$12,559,000 (as at 31st March, 2011: HK\$21,123,000). These related companies are companies controlled by a deemed substantial shareholder of the Company.

## NOTES TO THE CONDENSED FINANCIAL STATEMENTS

For the six months ended 30th September, 2011

### 12. TRADE AND OTHER PAYABLES

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

	<b>As at</b> <b>30th September,</b> <b>2011</b> <b>(unaudited)</b> <b>HK\$'000</b>	31st March, 2011 (audited) HK\$'000
0 – 90 days	38,120	23,872
91 – 180 days	310	21
Over 180 days	154	85
	<b>38,584</b>	23,978
Construction payables and accruals	440,668	450,020
Other payables and accruals	170,646	140,615
Customers' deposits	144,514	122,187
Short term advance	15,000	15,000
Deposit received from pre-sales of properties	1,473,442	918,570
	<b>2,282,854</b>	1,670,370

### 13. CAPITAL COMMITMENTS

	<b>As at</b> <b>30th September,</b> <b>2011</b> <b>(unaudited)</b> <b>HK\$'000</b>	31st March, 2011 (audited) HK\$'000
Authorised but not contracted for in respect of :		
– property under development for sale	1,417,095	691,741
– investment properties	1,703,520	1,877,197
– property, plant and equipment	12,574	92,537
	<b>3,133,189</b>	2,661,475
Contracted for but not provided in the financial statements, net of deposits paid, in respect of:		
– property under development for sale	442,400	665,247
– investment properties	1,706,155	1,468,693
– property, plant and equipment	1,727	681
	<b>2,150,282</b>	2,134,621
	<b>5,283,471</b>	4,796,096

# NOTES TO THE CONDENSED FINANCIAL STATEMENTS

For the six months ended 30th September, 2011

## 14. RELATED PARTY TRANSACTIONS

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

- (a) The Group also had the following significant transactions with related parties during the Period:

	Six months ended 30th September, 2011 (unaudited) HK\$'000	2010 (unaudited) HK\$'000
Rental received from related companies	80,474	63,114
Share of administrative expenses by related companies	23,969	19,262
Professional and service fees income from related companies	85	633
Hotel and restaurant income from related companies	345	336
Advertising and other expenses to related companies	2,295	2,504
Secretarial fee to a related company	330	310
Commission to Dr. Albert Yeung, a deemed substantial shareholder of the Company in capacity of a patron of the Group's VIP rooms	62	388
Interest paid to a related company	49,352	24,153

- (b) The key management personnel includes solely the Directors of the Company and the salaries and compensation paid to them is disclosed as follows:

	Six months ended 30th September, 2011 (unaudited) HK\$'000	2010 (unaudited) HK\$'000
Fees	525	575
Salaries and other short term benefit	4,519	4,642
	5,044	5,217

- (c) Rent free quarter to a deemed substantial shareholder:

On 22nd July 2011, the Group entered into an accommodation contract with Dr. Yeung Sau Shing, Albert, a deemed substantial shareholder of the Company, under which one of the Group's properties was provided to him and his associates (including Ms. Luk Siu Man, Semon, Chairperson and Non-executive director and the spouse of Dr. Albert Yeung) as rent-free quarter as his emolument for his management consultancy services rendered to the Group. The market rental value calculated by an independent valuer and the related expenses of the quarter up to 30th September, 2011 was approximately HK\$1,698,000.

# NOTES TO THE CONDENSED FINANCIAL STATEMENTS

For the six months ended 30th September, 2011

## 14. RELATED PARTY TRANSACTIONS (Continued)

(d) Amounts due to related parties:

	As at	
	30th September, 2011 (unaudited) HK\$'000	31st March, 2011 (audited) HK\$'000
Amounts due to non-controlling interests of subsidiaries	264,392	276,434
Amount due to a related company	3,722,203	2,602,709

Related companies are companies controlled by a deemed substantial shareholder or certain directors of the Company.

## 15. CONTINGENT LIABILITIES

In October 2006, Expert Pearl Group, formerly wholly owned subsidiaries of EEH, that became wholly owned subsidiaries of the Company as from 15th February, 2011, commenced legal proceedings against the JV Partner in Shanghai, the PRC, for termination of the JV Agreement in respect of the development of the Expert Pearl Group's property in Shanghai as a result of the JV Partner's failure to settle the outstanding payment and construction costs in accordance with the terms of the JV Agreement. Expert Pearl Group also claimed against the JV Partner for forfeiture of the JV Partner's contribution to the project and further contribution by the JV Partner of outstanding payment and construction costs totalling RMB83,620,000 (equivalent to HK\$102,552,000). The JV Partner contested the proceedings and counterclaimed against Expert Pearl Group for RMB100,000,000 (equivalent to HK\$122,641,000) as damages for breach of the JV Agreement. The JV Partner's contribution of RMB27,130,000 (equivalent to HK\$33,272,000) has not been recognised as assets by EEH, pending the outcome of the legal proceedings.

On 28th December, 2010, Expert Pearl Group received the judgement from the Shanghai No. 2 Intermediate People's Court under which the Expert Pearl Group's request for termination of the JV Agreement and its other claims were not granted, and the JV Agreement shall continue to have effect. On the other hand, the JV Partner's counterclaim was also rejected. Expert Pearl Group filed an appeal against the judgement to the Shanghai High People's Court. On 1st June, 2011, after the disposal of Expert Pearl Group by EEH to the Company, the Group received the judgement from the Shanghai High People's Court under which the Expert Pearl Group's appeal was dismissed and the JV Agreement shall continue to have effect. In August 2011, Expert Pearl Group had lodged an application to the Supreme People's Court for retrial.

In July 2008, Gold Shine, an indirectly held subsidiary of the Company, commenced legal proceedings seeking declarations from the Court in respect of interpretation of the government lease relating to its investment properties under development situated in Repulse Bay. A land premium may have to be paid to the government of the HKSAR in order for the properties to be rent out if the declarations sought were not granted to the Group. The court of first instance declined to grant the declarations sought. Gold Shine had lodged an appeal. The date for the appeal hearing has not yet been fixed up to the date these consolidated financial statements were authorised for issuance. The Group is of the view that the ultimate outcome of the case is not determinable at this stage and no provision was made by the Group.



## NOTES TO THE CONDENSED FINANCIAL STATEMENTS

For the six months ended 30th September, 2011

### 16. PLEDGE OF ASSETS

Certain assets of the Group were pledged to banks as security for banking facilities granted to the Group. The carrying values of these assets at the balance sheet date were as follows:

	<b>As at</b> <b>30th September,</b> <b>2011</b> <b>(unaudited)</b> <b>HK\$'000</b>	31st March, 2011 (audited) HK\$'000
Investment properties	<b>14,679,987</b>	13,636,300
Properties under development	<b>1,908,360</b>	2,232,227
Land and buildings	<b>84,611</b>	85,716
Hotel properties	<b>1,651,600</b>	1,672,337
	<b>18,324,558</b>	17,626,580

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

As at 30th September, 2011, the interests and short positions of the Directors and chief executive of the Company and their respective associates 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 of Hong Kong Limited (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 IN SHARES AND UNDERLYING SHARES OF THE COMPANY

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

Name of Director	Capacity/ Nature of interests	Number of issued ordinary Shares held	Approximate % holding
Ms. Luk Siu Man, Semon ("Ms. Semon Luk") (Note 1)	Family	2,697,826,489	73.57%

#### (ii) Share options

Name of Director	Capacity/ Nature of interests	Number of underlying Shares	Approximate % holding
Mr. Wong Chi Fai (Note 2)	Beneficial owner	16,154,212	0.44%
Ms. Fan Man Seung, Vanessa ("Ms. Vanessa Fan") (Note 2)	Beneficial owner	16,154,212	0.44%
Mr. Cheung Ping Keung (Note 2)	Beneficial owner	5,384,737	0.15%

Notes:

- The 2,697,826,489 Shares comprised 116,666 Shares held by Dr. Yeung Sau Shing, Albert ("Dr. Albert Yeung") directly and 2,697,709,823 Shares held by Charron Holdings Limited ("Charron"). Charron was ultimately held by STC International Limited ("STC International"), the trustee of The Albert Yeung Discretionary Trust ("AY Trust"), a discretionary trust set up by Dr. Albert Yeung. Dr. Albert Yeung, as founder of the AY Trust, had deemed interests in the said Shares held by Charron. By virtue of being the spouse of Dr. Albert Yeung, Ms. Semon Luk also had deemed interests in the same Shares held by Charron and Dr. Albert Yeung respectively.
- The share options were granted to the Directors under the share option scheme of the Company.

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

## (B) LONG POSITIONS IN SHARES/UNDERLYING SHARES OF ASSOCIATED CORPORATIONS

### (i) Ordinary shares

Name of Director	Name of associated corporation	Capacity/ Nature of interests	Number of issued ordinary Shares held	Approximate % holding
Ms. Semon Luk	Charron (Note 1)	Family	1	100%
Ms. Semon Luk	Eternally Smart Limited ("Eternally Smart") (Note 1)	Family	1	100%
Ms. Semon Luk	Million Way Holdings Limited ("Million Way") (Note 1)	Family	1	100%
Ms. Semon Luk	Emperor Entertainment Hotel Limited ("EEH") (Note 1)	Family	773,622,845	59.85%
Ms. Semon Luk	Allmighty Group Limited ("Allmighty Group") (Note 2)	Family	100	100%
Ms. Semon Luk	Emperor Watch & Jewellery Limited ("EWJ") (Note 2)	Family	3,557,340,000	52.95%
Ms. Semon Luk	Win Move Group Limited ("Win Move") (Note 3)	Family	1	100%
Ms. Semon Luk	Beauty Charm Limited ("Beauty Charm") (Note 3)	Family	1	100%
Ms. Semon Luk	Emperor Capital Group Limited ("ECG") (Note 3)	Family	1,561,722,907	60.13%
Ms. Semon Luk	Velba Limited ("Velba") (Note 4)	Family	1	100%
Ms. Semon Luk	New Media Group Holdings Limited ("NMG") (Note 4)	Family	453,080,000	52.44%

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

## (B) LONG POSITIONS IN SHARES/UNDERLYING SHARES OF ASSOCIATED CORPORATIONS (CONTINUED)

### (ii) Share options

Name of Director	Name of associated corporation	Capacity/ Nature of interests	Number of underlying shares held	Approximate % holding
Mr. Wong Chi Fai	EEH (Note 5)	Beneficial owner	5,000,000	0.39%
Ms. Vanessa Fan	EEH (Note 5)	Beneficial owner	5,000,000	0.39%

#### Notes:

- Charron is the holding company of Eternally Smart and the Company. EEH is a subsidiary of the Company, with its shares listed in Hong Kong and 773,622,845 shares in EEH were held by Worthly Strong Investment Limited ("Worthly Strong"), an indirect wholly-owned subsidiary of the Company. The entire issued share capital of Charron was held by Million Way which in turn was wholly-owned by STC International, being the trustee of the AY Trust. Dr. Albert Yeung, as founder of the AY Trust, had deemed interests in the respective share capital of Charron, Eternally Smart and Million Way and the aforesaid Shares in EEH held by Worthly Strong. By virtue of being the spouse of Dr. Albert Yeung, Ms. Semon Luk, a Director of the Company, also had deemed interests in the same shares.
- EWJ is a company with its shares listed in Hong Kong; the 3,557,340,000 shares of EWJ were held by Allmighty Group. The entire issued share capital of Allmighty Group was held by Million Way which was in turn wholly-owned by STC International, the trustee of the AY Trust. Dr. Albert Yeung, as founder of the AY Trust, had deemed interests in the share capital of Allmighty Group and the aforesaid shares in EWJ held by Allmighty Group. By virtue of being the spouse of Dr. Albert Yeung, Ms. Semon Luk also had deemed interests in the same shares.
- ECG is a company with its shares listed in Hong Kong; the 1,561,722,907 shares of ECG were held by Win Move which was the holding company of Beauty Charm. The entire issued share capital of Win Move was held by Million Way which was in turn wholly-owned by STC International, the trustee of the AY Trust. Dr. Albert Yeung, as founder of the AY Trust, had deemed interests in the respective share capital of Win Move, Beauty Charm and the aforesaid shares in ECG held by Win Move. By virtue of being the spouse of Dr. Albert Yeung, Ms. Semon Luk also had deemed interests in the same shares.
- NMG is a company with its shares listed in Hong Kong; the 453,080,000 shares of NMG were held by Velba. The entire issued share capital of Velba was held by Million Way which was in turn wholly-owned by STC International, the trustee of the AY Trust. Dr. Albert Yeung, as founder of the AY Trust, had deemed interests in the share capital of Velba and the aforesaid shares in NMG held by Velba. By virtue of being the spouse of Dr. Albert Yeung, Ms. Semon Luk also had deemed interests in the same shares.
- These were share options granted to the directors of EEH (also being Directors of the Company) under the share option scheme of EEH.

Save as disclosed above, as at 30th September, 2011, none of the Directors or chief executive of the Company nor their respective associates had any interests or short positions in Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO).

## OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SECURITIES

So far as known to the Directors, as at 30th September, 2011, the persons who had interests or short positions in the Shares, underlying Shares and debentures 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

#### Ordinary Shares of HK\$0.01 each of the Company

Name of shareholder	Capacity/ Nature of interests	Number of ordinary Shares interested in or deemed to be interested	Approximate % holding
Charron	Beneficial owner	2,697,709,823	73.57%
Million Way	Interest in a controlled corporation	2,697,709,823	73.57%
STC International	Trustee of the AY Trust	2,697,709,823	73.57%
Dr. Albert Yeung	Founder of the AY Trust	2,697,826,489	73.57%

Note:

The entire issued share capital of Charron was held by Million Way which was in turn wholly-owned by STC International, the trustee of the AY Trust. Dr. Albert Yeung, as founder of the AY Trust, had deemed interests in the said Shares held by Charron. The said Shares were the same Shares as those set out under Section (A)(i) of "Directors' and Chief Executives' Interests and Short Positions in Securities" above.

Save as disclosed above, as at 30th September, 2011, the Directors or chief executive of the Company were not aware of any other persons 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.

## SHARE OPTIONS AND OTHER INFORMATION

### 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 (HK\$)	No. of share options outstanding as at 1st April, 2011	No. of share options outstanding as at 30th September, 2011
Director					
Mr. Wong Chi Fai	11th Aug., 2005	11th Aug., 2005 – 10th Aug., 2015	1.746	10,769,475	10,769,475
	28th Jan., 2008	28th Jan., 2008 – 27th Jan., 2013	2.702	5,384,737	5,384,737
Ms. Vanessa Fan	11th Aug., 2005	11th Aug., 2005 – 10th Aug., 2015	1.746	10,769,475	10,769,475
	28th Jan., 2008	28th Jan., 2008 – 27th Jan., 2013	2.702	5,384,737	5,384,737
Mr. Cheung Ping Keung	28th Jan., 2008	28th Jan., 2008 – 27th Jan., 2013	2.702	5,384,737	5,384,737
Ms. Mok Fung Lin, Ivy (Note)	28th Jan., 2008	28th Jan., 2008 – 27th Jan., 2013	2.702	2,692,368	—
				40,385,529	37,693,161

Note:

The share options of Ms. Mok Fung Lin, Ivy lapsed subsequent to her resignation as director of the Company on 1st July, 2011.

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

### CODE ON CORPORATE GOVERNANCE PRACTICES

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

## SHARE OPTIONS AND OTHER INFORMATION

### MODEL CODE FOR SECURITIES TRANSACTIONS

The Company had adopted the Model Code as set out in Appendix 10 of the Listing Rules as its own code of conduct regarding Directors' securities transactions. Having made specific enquiry to the Directors, all of them confirmed that they have complied with the required standard of dealings as set out in the Model Code throughout the Period.

### REVIEW OF INTERIM RESULTS

These condensed consolidated interim financial statements of the Group have not been audited nor reviewed by the Company's auditor, Deloitte Touche Tohmatsu, but have 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, 28th November, 2011

*As at the date hereof, the Board comprises:*

<i>Non-Executive Director:</i>	Ms. Luk Siu Man, Semon ( <i>Chairperson</i> )
<i>Executive Directors:</i>	Mr. Wong Chi Fai ( <i>Managing Director</i> ) Ms. Fan Man Seung, Vanessa ( <i>Managing Director</i> ) Mr. Cheung Ping Keung
<i>Independent Non-executive Directors:</i>	Mr. Chan Man Hon, Eric Mr. Liu Hing Hung Mr. Law Ka Ming, Michael

This Interim Report (in both English and Chinese versions) is available to any shareholder either in printed form or on the Company's website (<http://www.emperorinternational.com.hk>). In order to protect the environment, the Company highly recommends shareholders to elect to receive electronic copy of our Corporate Communications. Upon written request, free printed version of this Interim Report will be sent to shareholders who have elected to receive electronic copies but for any reason have difficulty in receiving or gaining access to this Interim Report through the Company's website. Shareholders may have the right to change their choice of receipt of our future Corporate Communications at any time by reasonable notice in writing to the Company or the Company's Hong Kong branch Share Registrar, Tricor Secretaries Limited, by post at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong or by email at [is-enquiries@hk.tricorglobal.com](mailto:is-enquiries@hk.tricorglobal.com).