



英皇娛樂酒店有限公司
Emperor Entertainment Hotel Limited

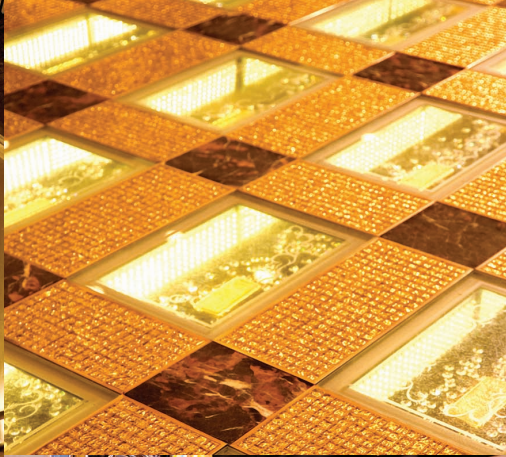
(Incorporated in Bermuda with limited liability)

(Stock Code : 296)

INTERIM REPORT 2011/2012

A close-up photograph of a hand wearing a white glove, holding a polished brass doorknob. The hand is positioned on a dark wood door. The background is slightly blurred, showing the interior of a room with warm lighting.

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FINANCIAL HIGHLIGHTS

	Six months ended 30 September		Change
	2011 (Unaudited) HK\$'000	2010 (Unaudited) HK\$'000	
Revenue	805,859	618,143	+30.4%
Gross profit	607,156	432,104	+40.5%
EBITDA after non-controlling interests	223,562	173,165	+29.1%
Profit for the period attributable to owners of the Company	183,258	170,020	+7.8%
Profit for the period from continuing operations attributable to owners of the Company	183,258	137,952	+32.8%
Basic earnings per share	HK\$0.14	HK\$0.13	+7.7%
Basic earnings per share from continuing operations	HK\$0.14	HK\$0.11	+27.3%

MANAGEMENT DISCUSSION AND ANALYSIS

Emperor Entertainment Hotel Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) principally engage in provision of entertainment and hospitality services in Macau.

FINANCIAL REVIEW

Overall Review

For the six months ended 30 September 2011 (the “Period”), the Group reported revenue of approximately HK\$805.9 million, representing an increase of 30.4%. Thanks to the Group’s high operating efficiency and economy of scale, the Group’s earnings before interest, tax, depreciation and amortisation (“EBITDA”) and after non-controlling interests amounted to HK\$223.6 million, representing a surge of 29.1%. Profit for the Period attributable to owners of the Company increased by 7.8% to HK\$183.3 million. Basic earnings per share amounted to HK\$0.14.

Liquidity and Financial Resources

During the Period, the Group mainly funded its operations and capital expenditure through its internally generated cash flow from operations. As at 30 September 2011, advances from non-controlling shareholders of a subsidiary of the Company were approximately HK\$245.4 million, which were denominated in Hong Kong dollars, unsecured, interest-free and repayable only when the subsidiary has surplus fund. The Group has no bank borrowings with low gearing ratio, optimizing its financial position and minimizing its exposure to interest rate risk.

The Group’s current assets and current liabilities as at 30 September 2011 were HK\$1,405.6 million and HK\$619.0 million respectively. The gearing ratio of the Group (expressed as a percentage of total borrowings over total assets) further decreased to 7.5% (31 March 2011: 8.6%) as at 30 September 2011.

Save as disclosed above and trade and other payables and accrued charges, the Group had no other external borrowings. During the Period, the Group was able to maintain its strong and healthy financial position. Bank balances and cash on hand of the Group as at 30 September 2011 amounted to HK\$1,039.8 million, which were mainly denominated in Hong Kong dollars and Macau Pataca. With the borrowings and bank balances and cash on hand denominated in Hong Kong dollars and Macau Pataca, the Group did not experience any significant exposure to foreign exchange rate fluctuation during the Period.

Pledge of Assets

As at 30 September 2011, assets with carrying values of approximately HK\$1.4 billion were pledged to a bank as security for unutilised banking facilities available to the Group.

Contingent Liability

The Group has no contingent liability as at the end of the Period.

BUSINESS REVIEW

During the Period, the Group continued to implement its strategic development plan and achieved steady growth across all business lines.

Gaming and Hotel Operations

The Group's flagship project, Grand Emperor Hotel in Macau (the "Hotel"), has 136,660 square feet of gaming space spreading over seven floors offering slot machines as well as gaming tables in gaming concourse and VIP rooms.

Supported by the satisfactory performance of gaming industry during the Period, revenue from the gaming and hotel operations segment amounted to HK\$805.9 million (2010: HK\$618.1 million), an increase of 30.4% over the same period of last year.

Gaming Revenue

The Group's casino operation is run by licence holder Sociedade de Jogos de Macau, S.A. ("SJM") During the Period, the Group put much more resources to expand gaming business. The gaming revenue for the Period amounted to HK\$733.1 million (2010: HK\$544.7 million), accounting for 91.0% of the Group's total revenue.

Gaming Concourse

During the Period, this segment contributed a gross win of HK\$930.0 million (2010: HK\$557.9 million) with 63 tables in the gaming concourse. Benefiting from the Group's established brand name, this revenue segment increased by 65.4% to HK\$517.5 million (2010: HK\$312.8 million), accounting for 64.2% of the Group's total revenue. Average win for the Period was approximately HK\$83,000 per table per day (2010: HK\$51,000).

Slot Machines

It recorded a gross win of HK\$59.6 million (2010: HK\$46.8 million) with 314 slot seats in the Hotel. This revenue segment increased by 30.4% to HK\$26.6 million (2010: HK\$20.4 million), accounting for 3.3% of the Group's total revenue. Average win was approximately HK\$1,050 per seat per day (2010: HK\$770) during the Period.

VIP Rooms

The Group self-manages two VIP rooms with a total of 14 tables. The VIP rooms had rolling of HK\$11.7 billion (2010: HK\$13.4 billion), accounting for 23.5% of the Group's total revenue to achieve approximately HK\$189.0 million (2010: HK\$211.5 million). Average win per table per day was approximately HK\$130,000 (2010: HK\$146,000) during the Period.

BUSINESS REVIEW (Continued)

Hotel Revenue

Riding on the prestigious reputation of the Hotel and the premium quality of its services, it is well received among Hong Kong and mainland visitors.

During the Period, this segment has recorded a revenue of HK\$72.8 million (2010: HK\$73.4 million), accounting for 9.0% of the Group's total revenue. The market had responded favourably to the festival promotion and privilege packages offered by the Hotel. With a total of 307 guest rooms in the Hotel, an average daily rate of HK\$1,052 (2010: HK\$820), and the high occupancy rate of 89% (2010: 88%), room revenue amounted to HK\$23.1 million. Revenue from food and beverage was HK\$37.0 million, while rental revenue from sauna, night club and retail space was HK\$12.7 million.

OUTLOOK

In light of the new infrastructure projects to be completed in the near future, especially the Hong Kong-Zhuhai-Macau Bridge, major cities in the Guangdong province will be connected, facilitating visitors to travel from Guangzhou to Macau. Since there is still an ample potential for the mainland tourism market to grow, Macau, as a popular destination within the country, should therefore benefit from the continuous traveling abroad of Chinese people. Hence, the number of visitors and gaming revenue is expected to grow continuously in the coming years.

Leveraging the prestigious reputation of "Emperor" among Chinese communities, the Group is ready to capitalise on the huge market potential by improving revenue optimisation of the available gaming space and table; more precise segment differentiation among various customer types; better slot offering that appeals to Chinese customers, thus, enjoying the robust earnings growth in the future.

EMPLOYEES AND REMUNERATION POLICY

As at 30 September 2011, the Group's number of employee was 1,087 as compared to 974 as at the end of the preceding financial year. Total staff costs including directors' remuneration and the staff costs reimbursed to SJM for the Period were approximately HK\$147.8 million (2010: HK\$122.9 million). Employees' remuneration was determined in accordance with individual's responsibility, performance and experience. Staff benefits include contribution to retirement benefit scheme, medical insurance and other fringe benefits.

To provide incentives or rewards to the staff, the Company adopted a share option scheme on 2 September 2002. During the Period, the Company did not grant any option under the share option scheme and the outstanding share options as at the end of the Period was 10,000,000 share options which were granted to certain directors of the Company in August 2005.

INTERIM DIVIDEND

The board of directors (the "Board" or "Director(s)") of the Company has declared an interim dividend of HK\$0.043 per share ("Dividend") for the financial year ending 31 March 2012 (2010/2011: HK\$0.04 per share) amounting to approximately HK\$55.6 million (2010/2011: HK\$51.7 million). The Dividend will be payable on 23 December 2011 (Friday) to shareholders whose names appear on the register of members of the Company at the close of business on 16 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 15 December 2011 (Thursday) to 16 December 2011 (Friday), during which period no transfer of shares will be registered.

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 14 December 2011 (Wednesday). Dividend warrants will be despatched on 23 December 2011 (Friday).

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 September 2011

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

	<i>Notes</i>	Six months ended 30 September	
		2011 (Unaudited) HK\$'000	2010 (Unaudited & Restated) HK\$'000
Continuing operations			
Revenue	3	805,859	618,143
Cost of sales		(15,855)	(15,169)
Cost of hotel and gaming operations		(182,848)	(170,870)
Gross profit		607,156	432,104
Other income		6,201	4,184
Gain on fair value change in investment properties		34,900	15,800
Selling and marketing expenses		(235,183)	(174,576)
Administrative expenses		(84,748)	(62,077)
Finance costs		(6,491)	(7,057)
Profit before taxation	4 & 5	321,835	208,378
Taxation	6	(38,126)	(23,137)
Profit for the period from continuing operations		283,709	185,241
Discontinued operation			
Profit for the period from discontinued operation		–	32,068
Profit for the period		283,709	217,309
Other comprehensive income:			
Exchange differences arising on translation of foreign operations		3	7,522
Total comprehensive income for the period		283,712	224,831

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

	<i>Note</i>	Six months ended 30 September	
		2011 (Unaudited) HK\$'000	2010 (Unaudited & Restated) HK\$'000
Profit for the period attributable to owners of the Company			
– from continuing operations		183,258	137,952
– from discontinued operation		–	32,068
		183,258	170,020
Profit for the period from continuing operations attributable to non-controlling interests		100,451	47,289
		283,709	217,309
Total comprehensive income attributable to:			
Owners of the Company		183,261	177,542
Non-controlling interests		100,451	47,289
		283,712	224,831
Earnings per share	7		
– from continuing and discontinued operations			
Basic and diluted		HK\$0.14	HK\$0.13
– from continuing operations			
Basic and diluted		HK\$0.14	HK\$0.11

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2011

		As at	
		30 September	31 March
		2011	2010
		(Unaudited)	(Audited)
	<i>Notes</i>	HK\$'000	HK\$'000
Non-current assets			
Investment properties	9	311,300	276,400
Property, plant and equipment	9	1,192,319	1,164,503
Prepaid lease payments	9	235,810	239,033
Deposits paid for acquisition of property, plant and equipment		1,464	565
Goodwill		110,960	110,960
		1,851,853	1,791,461
Current assets			
Inventories, at cost		10,596	7,314
Trade and other receivables	10	348,467	318,528
Prepaid lease payments	9	6,446	6,446
Pledged bank deposit		300	300
Bank balances and cash		1,039,799	856,163
		1,405,608	1,188,751
Current liabilities			
Trade and other payables	11	199,852	168,573
Amounts due to fellow subsidiaries		1,754	3,486
Amounts due to non-controlling shareholders of a subsidiary		245,443	183,947
Taxation payable		171,985	140,443
		619,034	496,449
Net current assets		786,574	692,302
Total assets less current liabilities		2,638,427	2,483,763

**CONDENSED CONSOLIDATED STATEMENT
OF FINANCIAL POSITION (CONTINUED)**

	As at	
	30 September 2011 (Unaudited) HK\$'000	31 March 2010 (Audited) HK\$'000
Non-current liabilities		
Amounts due to non-controlling shareholders of a subsidiary	–	72,983
Deferred taxation	90,993	84,409
	90,993	157,392
	2,547,434	2,326,371
Capital and reserves		
Share capital	129	129
Reserves	1,879,825	1,761,191
Equity attributable to owners of the Company	1,879,954	1,761,320
Non-controlling interests	667,480	565,051
	2,547,434	2,326,371

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the six months ended 30 September 2011

Attributable to owners of the Company

	Share capital	Share premium	Capital redemption reserve	Contributed surplus	Property revaluation reserve	Share option reserve	Legal reserve	Translation reserve	Accumulated profits	Total	Non- controlling interests	Total equity
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 April 2010	129	410,802	668	772,554	8,478	3,964	287	63,303	1,211,935	2,472,120	443,336	2,915,456
Exchange difference arising on translation of foreign operations recognised directly in equity	-	-	-	-	-	-	-	7,522	-	7,522	-	7,522
Profit for the period	-	-	-	-	-	-	-	-	170,020	170,020	47,289	217,309
Total comprehensive income for the period	-	-	-	-	-	-	-	7,522	170,020	177,542	47,289	224,831
Reversal of deemed capital contribution arising from changes in cash flow estimates on amounts due to non-controlling shareholders of a subsidiary	-	-	-	-	-	-	-	-	-	-	(493)	(493)
2010 final dividend paid in cash	-	-	-	(62,042)	-	-	-	-	-	(62,042)	-	(62,042)
At 30 September 2010	129	410,802	668	710,512	8,478	3,964	287	70,825	1,381,955	2,587,620	490,134	3,077,754
At 1 April 2011	129	410,802	668	-	8,478	3,964	287	3	1,336,989	1,761,320	565,051	2,326,371
Exchange difference arising on translation of foreign operations recognised directly in equity	-	-	-	-	-	-	-	3	-	3	-	3
Profit for the period	-	-	-	-	-	-	-	-	183,258	183,258	100,451	283,709
Total comprehensive income for the period	-	-	-	-	-	-	-	3	183,258	183,261	100,451	283,712
Deemed capital contribution arising from changes in cash flow estimates on amounts due to non-controlling shareholders of a subsidiary	-	-	-	-	-	-	-	-	-	-	1,978	1,978
2011 final dividend paid in cash	-	-	-	-	-	-	-	-	(64,627)	(64,627)	-	(64,627)
At 30 September 2011	129	410,802	668	-	8,478	3,964	287	6	1,455,620	1,879,954	667,480	2,547,434

– **CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS** –

For the six months ended 30 September 2011

	Six months ended 30 September	
	2011 (Unaudited) HK\$'000	2010 (Unaudited) HK\$'000
Net cash from operating activities	353,182	251,455
Net cash used in investing activities	(88,916)	(22,228)
Net cash used in financing activities	(80,627)	(82,042)
Net increase in cash and cash equivalents	183,639	147,185
Cash and cash equivalents at the beginning of the period	856,163	573,398
Effect of foreign exchange rate changes	(3)	373
Cash and cash equivalents at the end of the period		
Bank balances and cash	1,039,799	720,956

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2011

1. Basis of Preparation

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

In the preceding financial year, the Group distributed its entire interest in Expert Pearl Investments Limited and its subsidiaries (collectively referred to as “Expert Pearl Group”), which carried out the Group’s property development operation in The People’s Republic of China, by way of dividend in specie of Expert Pearl Group to the Company’s shareholders. Accordingly, the distribution constituted a discontinued operation to the Group and the consolidated statement of comprehensive income for the six months ended 30 September 2010 was restated.

2. Principal Accounting Policies

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

The accounting policies used in the unaudited condensed consolidated financial statements are consistent with those followed in the preparation of the Group’s annual financial statements for the year ended 31 March 2011, except as described below.

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

The adoption of the New and Revised 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 any new standards or interpretations that have been issued but are not yet effective for the current accounting period.

3. Revenue

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

	Six months ended 30 September	
	2011 (Unaudited) HK\$'000	2010 (Unaudited) HK\$'000
Continuing operations		
Service income from gaming operation in VIP rooms	188,981	211,488
Service income from gaming operation in mass market halls	517,484	312,835
Service income from gaming operation in slot machine hall	26,578	20,389
Hotel room income	21,104	27,442
Food and beverage sales	37,059	32,438
Rental income from investment properties	12,691	11,445
Others	1,962	2,106
	805,859	618,143

4. Segment Information

The executive directors of the Company (the "Executive Directors") have been identified as the chief operating decision maker ("CODM"). The Executive Directors review the Group's internal reporting in order to assess performance and allocate resources.

For gaming operation, the Executive Directors regularly analyse gaming revenue in terms of service income from VIP rooms, mass market halls and slot machine hall. No operating results nor discrete financial information is presented to the Executive Directors in relation to the above analyses. The Executive Directors review the revenues and operating results of gaming operation as a whole. The Executive Directors have identified the operating segments under HKFRS 8 as follows: gaming operation and hotel operation.

The segment information reported externally was analysed on the basis of their types of services supplied by the Group's operating divisions which is consistent with the internal information that are regularly reviewed by the CODM for the purposes of resource allocation and assessment of performance. This is also the basis of organisation in the Group, whereby the management has chosen to organise the Group around differences in services. The principal activities of the reportable operating segments are as follows:

Gaming operation	–	Mass market halls, slot machine hall and VIP room operations and provision of gaming-related marketing and public relation services in the casino of the Grand Emperor Hotel in Macau
Hotel operation	–	Hotel operation in the Grand Emperor Hotel in Macau including property investment income from investment properties in the Grand Emperor Hotel

4. Segment Information (Continued)

The property development operating segment for the six months ended 30 September 2010 was classified as discontinued as a result of distribution of Expert Pearl Group by way of distribution in specie (defined and explained in note 1).

The Executive Directors assess the performance of individual operating segments based on a measure of adjusted earnings before interest, tax, depreciation and amortisation, central administration costs and gain/loss on fair value changes of investment properties (the "Adjusted EBITDA").

Inter-segment revenue are charged at prevailing market rate.

Information regarding the above segments is reported as below.

Segment revenue and results

For the six months ended 30 September 2011

	Continuing operations				
	Gaming operation (Unaudited) HK\$'000	Hotel operation (Unaudited) HK\$'000	Total (Unaudited) HK\$'000	Elimination (Unaudited) HK\$'000	Consolidated (Unaudited) HK\$'000
	SEGMENT REVENUE				
External revenue	733,043	72,816	805,859	-	805,859
Inter-segment revenue	-	2,311	2,311	(2,311)	-
Total	733,043	75,127	808,170	(2,311)	805,859
Segment result based on the Adjusted EBITDA	324,826	36,706	361,532		361,532
Bank interest income					4,104
Depreciation of property, plant and equipment					(42,328)
Release of prepaid lease payments					(3,223)
Gain on fair value change in investment properties					34,900
Imputed interest expense on amounts due to non-controlling shareholders of a subsidiary					(6,491)
Unallocated corporate expenses					(26,659)
Profit before taxation from continuing operations					321,835

4. Segment Information (Continued)

Segment revenue and results (Continued)

For the six months ended 30 September 2010

	Continuing operations			Discontinued operation		Elimination (Unaudited) HK\$'000	Consolidated (Unaudited) HK\$'000
	Gaming operation (Unaudited) HK\$'000	Hotel operation (Unaudited) HK\$'000	Total (Unaudited) HK\$'000	Property development (Unaudited) HK\$'000	Total (Unaudited) HK\$'000		
	SEGMENT REVENUE						
External revenue	544,712	73,431	618,143	-	618,143	-	618,143
Inter-segment revenue	-	2,311	2,311	-	2,311	(2,311)	-
Total	544,712	75,742	620,454	-	620,454	(2,311)	618,143
Segment result based on the Adjusted EBITDA	234,014	35,582	269,596	(3,559)	266,037		266,037
Bank interest income							1,187
Depreciation of property, plant and equipment							(45,926)
Release of prepaid lease payments							(3,223)
Gain on fair value change in investment properties							63,207
Imputed interest expense on amounts due to non-controlling shareholders of a subsidiary							(7,057)
Unallocated corporate expenses							(21,927)
Profit before taxation from discontinued operation							(43,920)
Profit before taxation from continuing operations							208,378

No analysis of the Group's assets and liabilities by operating segments is disclosed as it is not regularly provided to the Executive Directors for review.

Other than the segment information disclosed above, there was no other information reviewed by the CODM for both periods.

5. Profit Before Taxation

	Continuing operations		Discontinued operation		Consolidated	
	Six months ended 30 September		Six months ended 30 September		Six months ended 30 September	
	2011 (Unaudited) HK\$'000	2010 (Unaudited) HK\$'000	2011 (Unaudited) HK\$'000	2010 (Unaudited) HK\$'000	2011 (Unaudited) HK\$'000	2010 (Unaudited) HK\$'000
Profit before taxation has been arrived at after charging:						
Commission expenses in gaming operation (included in selling and marketing expenses)	217,426	158,569	-	-	217,426	158,569
Depreciation of property, plant and equipment	42,328	45,844	-	82	42,328	45,926
Loss on disposal of property, plant and equipment	-	111	-	-	-	111
Release of prepaid lease payments	3,223	3,223	-	-	3,223	3,223
and after crediting:						
Bank interest income	4,104	1,033	-	154	4,104	1,187

6. Taxation

	Continuing operations		Discontinued operation		Consolidated	
	Six months ended 30 September		Six months ended 30 September		Six months ended 30 September	
	2011 (Unaudited) HK\$'000	2010 (Unaudited) HK\$'000	2011 (Unaudited) HK\$'000	2010 (Unaudited) HK\$'000	2011 (Unaudited) HK\$'000	2010 (Unaudited) HK\$'000
The charge comprises:						
Macau Complimentary Income Tax	31,542	19,696	-	-	31,542	19,696
Deferred taxation	6,584	3,441	-	11,852	6,584	15,293
	38,126	23,137	-	11,852	38,126	34,989

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

No provision for Hong Kong Profits Tax has been made for the Period as there was no estimated assessable profit for the current period.

No provision for Hong Kong Profits Tax and PRC Enterprise Income Tax had been made in the prior period as there were no estimated assessable profits for that period.

7. Earnings Per Share

From continuing and discontinued operations

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

	Six months ended 30 September	
	2011 (Unaudited) HK\$'000	2010 (Unaudited) HK\$'000
Earnings		
Earnings (profit for the period attributable to owners of the Company) for the purpose of basic and diluted earnings per share	183,258	170,020

7. Earnings Per Share (Continued)

From continuing and discontinued operations (Continued)

	Six months ended 30 September	
	2011 (Unaudited)	2010 (Unaudited)
Number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share	1,292,545,983	1,292,545,983

From continuing operations

The calculation of the basic and diluted earnings per share from the continuing operations attributable to the owners of the Company is based on the following data:

	Six months ended 30 September	
	2011 (Unaudited) HK\$'000	2010 (Unaudited) HK\$'000
Earnings		
Profit for the period attributable to the owners of the Company	183,258	170,020
Profit for the period from discontinued operation attributable to the owners of the Company	-	(32,068)
Earnings for the purpose of basic and diluted earnings per share from the continuing operations	183,258	137,952

The denominators used are the same as those detailed above for both basic and diluted earnings per share.

From discontinued operation

In the prior period, basic and diluted earnings per share for the discontinued operation was HK\$0.02 per share (2011: N/A), based on the profit for that period from the discontinued operation of HK\$32,068,000 (2011: Nil) and the denominator detailed above for both basic and diluted earnings per share for the corresponding period in 2010.

The computation of diluted earnings per share does not assume the exercise of the Company's outstanding share options as the exercise price of those options was higher than the average market price of the Company's shares for both periods.

8. Dividend

A dividend of HK\$0.05 per share with an aggregate amount of approximately HK\$64,627,000 was paid to the shareholders of the Company during the Period as the final dividend of 2010/2011. A dividend of HK\$0.048 per share with an aggregate amount of approximately HK\$62,042,000 was paid to the shareholders of the Company during the corresponding period in 2010 as the final dividend of 2009/2010.

The Board has declared an interim dividend of HK\$0.043 per share for the financial year ending 31 March 2012 (2010/2011: HK\$0.04 per share) amounting to approximately HK\$55,579,000 (2010/2011: HK\$51,702,000).

9. Movements of Investment Properties, Property, Plant and Equipment and Prepaid Lease Payments

An analysis of movements of the assets of the Group is as follows:

	Investment properties (Unaudited) HK\$'000	Property, plant and equipment (Unaudited) HK\$'000	Prepaid lease payments (Unaudited) HK\$'000
FAIR VALUE/CARRYING AMOUNTS			
At 1 April 2011	276,400	1,164,503	245,479
Additions	-	70,144	-
Depreciation	-	(42,328)	-
Release of prepaid lease payments	-	-	(3,223)
Increase in fair value	34,900	-	-
At 30 September 2011	311,300	1,192,319	242,256

10. Trade and Other Receivables

The Group normally allows credit periods of up to 60 days to its trade customers, except for certain worthy customers with long term relationship and stable repayment pattern, where the terms are extended to a longer period. An aged analysis of the Group's trade receivables (net of allowances) based on the date of credit granted at the end of the reporting period is set out below:

	As at 30 September 2011 (Unaudited) HK\$'000	31 March 2011 (Audited) HK\$'000
0 – 30 days	113,846	145,224
31 – 60 days	51,168	6,585
61 – 90 days	1	11,720
91 – 180 days	14,480	4,870
Over 180 days	20,550	29,428
	200,045	197,827
Chips on hand	139,002	111,945
Other receivables and prepayments	9,420	8,756
	348,467	318,528

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

11. Trade and Other Payables

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

	As at	
	30 September	31 March
	2011	2011
	(Unaudited)	(Audited)
	HK\$'000	HK\$'000
0 – 30 days	24,852	13,646
31 – 60 days	3,804	3,803
61 – 90 days	670	445
91 – 180 days	310	21
Over 180 days	154	85
	29,790	18,000
Construction payables and accruals	10,181	31,154
Other payables and accruals	144,881	104,419
Short-term advance	15,000	15,000
	199,852	168,573

12. Commitments

	As at 30 September 2011 (Unaudited) HK\$'000	31 March 2011 (Audited) HK\$'000
Authorised but not contracted for in respect of property, plant and equipment	12,574	92,537
Contracted for but not provided in the consolidated financial statements, net of deposits paid, in respect of property, plant and equipment	1,727	681
	14,301	93,218

13. Pledge of Assets

Certain assets of the Group were pledged to a bank as security for unutilised banking facility available to the Group. The carrying values of these assets at the end of the reporting period were as follows:

	As at 30 September 2011 (Unaudited) HK\$'000	31 March 2011 (Audited) HK\$'000
Hotel property	845,799	858,146
Investment properties	311,300	276,400
Prepaid lease payments	242,256	245,479
	1,399,355	1,380,025

14. Related Party Transactions

- (a) During the Period, the Group had the following significant transactions with related parties:

	Six months ended 30 September	
	2011 (Unaudited) HK\$'000	2010 (Unaudited) HK\$'000
Advertising expenses to related companies	233	166
Commission to Dr. Yeung Sau Shing, Albert ("Dr. Albert Yeung"), a deemed substantial shareholder of the Company, in the capacity of a patron of the Group's VIP rooms	62	388
Professional fee expenses to related companies	180	180
Purchase of property, plant and equipment and merchandising goods from related companies	76	271
Reimbursement of administrative expenses paid by fellow subsidiaries	3,570	2,890
Rental income from a related company	2,103	1,970

Note: Certain Directors, key management personnel and a deemed substantial shareholder of the Company have significant influence or are deemed to have significant influence in the above related companies.

- (b) The key management personnel of the Company are the Directors of the Company. The remuneration paid to them during the Period is as follows:

	Six months ended 30 September	
	2011 (Unaudited) HK\$'000	2010 (Unaudited) HK\$'000
Short-term benefits	350	375

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

As at 30 September 2011, the interests and short positions of the Directors and chief executives of the Company and their associates in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (“SFO”)) as recorded in the register maintained by the Company pursuant to Section 352 of the SFO or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “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\$0.0001 each (the “Shares”) of the Company

Name of Director	Capacity/Nature of interests	Number of Shares held	% of the issued share capital
Ms. Luk Siu Man, Semon (“Ms. Semon Luk”) (Note 1)	Family	773,622,845	59.85%

(ii) Share options

Name of Director	Capacity/Nature of interests	Number of underlying Shares held	% of the issued share capital
Mr. Wong Chi Fai (Note 2)	Beneficial owner	5,000,000	0.39%
Ms. Fan Man Seung, Vanessa (Note 2)	Beneficial owner	5,000,000	0.39%

Notes:

- The 773,622,845 Shares of the Company were held by Worthy Strong Investment Limited (“Worthy Strong”), an indirect wholly-owned subsidiary of Emperor International Holdings Limited (“EIHL”). EIHL is a company with its shares listed in Hong Kong. Charron Holdings Limited (“Charron”) was the controlling shareholder of EIHL. The entire issued share capital of Charron was held by Million Way Holdings Limited (“Million Way”) which was wholly-owned 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 Worthy Strong. By virtue of being the spouse of Dr. Albert Yeung, Ms. Semon Luk also had deemed interests in the above said Shares.
- The share options were granted to the Directors under the share option scheme of the Company.

(B) LONG POSITION IN SHARES AND UNDERLYING SHARES OF ASSOCIATED CORPORATIONS

Name of Director	Name of associated corporation	Capacity/Nature of interests	Number of shares/ underlying shares held	% of the issued share capital
Ms. Semon Luk	Worthy Strong (Note 1)	Family	100	100%
Ms. Semon Luk	Million Way (Note 1)	Family	1	100%
Ms. Semon Luk	Charron (Note 2)	Family	1	100%
Ms. Semon Luk	Eternally Smart Limited ("Eternally Smart") (Note 2)	Family	1	100%
Ms. Semon Luk	EIHL (Note 2)	Family	2,697,826,489	73.57%
Ms. Semon Luk	Allmighty Group Limited ("Allmighty Group") (Note 3)	Family	100	100%
Ms. Semon Luk	Emperor Watch & Jewellery Limited ("EWJ") (Note 3)	Family	3,557,340,000	52.95%
Ms. Semon Luk	Win Move Group Limited ("Win Move") (Note 4)	Family	1	100%
Ms. Semon Luk	Beauty Charm Limited ("Beauty Charm") (Note 4)	Family	1	100%
Ms. Semon Luk	Emperor Capital Group Limited ("ECG") (Note 4)	Family	1,561,722,907	60.13%
Ms. Semon Luk	Velba Limited ("Velba") (Note 5)	Family	1	100%
Ms. Semon Luk	New Media Group Holdings Limited ("NMG") (Note 5)	Family	453,080,000	52.44%
Mr. Wong Chi Fai	EIHL (Note 6)	Beneficial owner	16,154,212	0.44%
Ms. Fan Man Seung, Vanessa	EIHL (Note 6)	Beneficial owner	16,154,212	0.44%

(B) LONG POSITION IN SHARES AND UNDERLYING SHARES OF ASSOCIATED CORPORATIONS (Continued)

Notes:

1. The 773,622,845 Shares of the Company were held by Worthy Strong which was ultimately controlled by Million Way. The entire issued share capital of Million Way was held 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 Worthy Strong and Million Way and the said Shares in the Company held by Worthy Strong. By virtue of being the spouse of Dr. Albert Yeung, Ms. Semon Luk also had deemed interests in the same shares.
2. EIHL is a company with its shares listed in Hong Kong in which 116,666 shares were held by Dr. Albert Yeung directly whilst 2,697,709,823 shares were held by Charron which was the holding company of Eternally Smart. The entire issued share capital of Charron was held by Million Way which was 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 Charron and Eternally Smart and the aforesaid shares in EIHL held by Charron. By virtue of being the spouse of Dr. Albert Yeung, Ms. Semon Luk also had deemed interests in the same shares and the shares directly held by Dr. Albert Yeung in EIHL.
3. 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 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.
4. 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 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 and 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.
5. 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 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.
6. These were share options granted to the directors of EIHL (also being the Directors of the Company) under the share option scheme of EIHL.

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

OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SECURITIES

As at 30 September 2011, so far as is known to any Director or chief executive of the Company, the following persons or corporations (other than a Director or a chief executive of the Company) who had interests and 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/SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

Name of shareholder	Capacity/Nature of interests	Number of Shares/ underlying Shares held	% of the issued share capital
EIHL (<i>Note</i>)	Interest in a controlled corporation	773,622,845	59.85%
Charron (<i>Note</i>)	Interest in a controlled corporation	773,622,845	59.85%
Million Way (<i>Note</i>)	Interest in a controlled corporation	773,622,845	59.85%
STC International (<i>Note</i>)	Trustee	773,622,845	59.85%
Dr. Albert Yeung (<i>Note</i>)	Founder of the AY Trust	773,622,845	59.85%
Penta Investment Advisers Limited	Investment manager	154,740,000	11.97%
UBS AG	Beneficiary owner	77,140,500 (L)	5.97%
		77,140,500 (S)	5.97%
	Security interest	2,540,000 (L)	0.19%

Note: The 773,622,845 Shares of the Company were held by Worthy Strong, an indirect wholly-owned subsidiary of EIHL. EIHL is a company with its shares listed in Hong Kong. Charron was the controlling shareholder of EIHL. The entire issued share capital of Charron was held by Million Way which was 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 Worthy Strong. The above 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 30 September 2011, the Directors or chief executives of the Company were not aware of any other persons had any interests or short positions in 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 (“Scheme”) on 2 September 2002 (the “Adoption Date”) to provide incentives or rewards to participants including the Directors and eligible employees of the Group.

Under the Scheme, the Directors 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; and (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 options	Number of share options outstanding as at 1 April 2011 and 30 September 2011
<u>Director</u>				
Mr. Wong Chi Fai	11 August 2005	11 August 2005 to 10 August 2015	HK\$2.2	5,000,000
Ms. Fan Man Seung, Vanessa	11 August 2005	11 August 2005 to 10 August 2015	HK\$2.2	5,000,000
				10,000,000

During the Period, no options were granted, lapsed, exercised or cancelled under the Scheme.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has 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.

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 REPORT

The condensed consolidated financial statements as set out in this interim report have not been audited nor reviewed by the Company's auditor, Deloitte Touche Tohmatsu, but this report has 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

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

By order of the Board
Emperor Entertainment Hotel Limited
Luk Siu Man, Semon
Chairperson

Hong Kong, 28 November 2011

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

<i>Non-executive Director</i>	:	<i>Ms. Luk Siu Man, Semon (Chairperson)</i>
<i>Executive Directors</i>	:	<i>Mr. Wong Chi Fai</i> <i>Ms. Fan Man Seung, Vanessa</i>
<i>Independent Non-executive Directors</i>	:	<i>Ms. Chan Sim Ling, Irene</i> <i>Ms. Chan Wiling, Yvonne</i> <i>Ms. Wan Choi Ha</i>

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.emp296.com>). 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.