



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

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

Strategic Move to
Create Enduring Value



INTERIM REPORT
2012/2013

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Financial Highlights (unaudited)

	Six months ended 30 September		
	2012 HK\$'000	2011 HK\$'000	Change
Revenue			
Lease of properties	312,474	217,779	+43.5%
Properties development	394,891	3,342	+11,716.0%
Hotel and hotel related operations	926,296	827,363	+12.0%
Total revenue	1,633,661	1,048,484	+55.8%
Segment profit/(loss)			
Lease of properties	289,129	194,759	+48.5%
Properties development	126,097	(61,473)	N/A
Hotel and hotel related operations	361,508	287,099	+25.9%
Total segment profit	776,734	420,385	+84.8%
Revaluation gain on properties	2,538,863	1,561,530	+62.6%
Profit for the period attributable to owners of the Company	2,731,524	1,655,287	+65.0%
Earnings per share			
Basic	HK\$0.74	HK\$0.45	+64.4%
Diluted	HK\$0.74	HK\$0.45	+64.4%

Management Discussion and Analysis

Emperor International Holdings Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) principally engage 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

Taking the advantages of its unique and strategic business position and capitalising on the market opportunities of the selected market segments with higher growth, the Group continued to achieve remarkable results on all business fronts for the six months ended 30 September 2012 (the “Period”).

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 HK\$1,633.7 million (2011: HK\$1,048.5 million), representing a substantial growth of 55.8% during the Period. Rental income from investment properties increased remarkably by 43.5% to HK\$312.5 million (2011: HK\$217.8 million), taking up 19.1% (2011: 20.8%) of the Group’s total revenue. Since part of the units had been delivered to the customers during the Period, revenue from property development rocketed nearly 118 folds to HK\$394.9 million (2011: HK\$3.3 million), representing 24.2% (2011: 0.3%) of total revenue. The hospitality segment recorded 12.0% growth to HK\$926.3 million (2011: HK\$827.4 million), accounting for 56.7% (2011: 78.9%) of the total revenue.

Due to the asset appreciation of quality retail properties in prime locations, the revaluation gain on investment properties during the Period increased to HK\$2,538.9 million (2011: HK\$1,561.5 million). The profit for the Period attributable to owners of the Company surged by 65.0% to HK\$2,731.5 million (2011: HK\$1,655.3 million).

Basic and diluted earnings per share were HK\$0.74 (2011: HK\$0.45) and HK\$0.74 (2011: HK\$0.45) respectively. The board of directors of the Company (the “Board” or the “Directors”) has resolved to declare an interim dividend of HK\$0.053 per share (2011: HK\$0.05 per share).

Liquidity and Financial Resources

As at 30 September 2012, the Group’s net asset value and net asset value per share amounted to HK\$20,076.6 million (31 March 2012: HK\$17,495.3 million) and HK\$5.48 per share (31 March 2012: HK\$4.77 per share) respectively. The Group owned key property portfolio of over 5 million square feet.

Management Discussion and Analysis

The Group's bank balances and cash amounted to HK\$1,741.3 million as at 30 September 2012 (31 March 2012: HK\$1,315.9 million). The total external borrowings (excluding payables) amounted to approximately HK\$11,499.2 million (31 March 2012: HK\$10,263.5 million) and the Group maintained a debt to total asset ratio of 31.2% (31 March 2012: 31.1%) (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.

BUSINESS REVIEW

Investment Property

The overall occupancy rate of the Group's retail properties was over 99% during the Period, which was 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 and **Fitfort Shopping Arcade** in North Point. 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. During the Period, the Group acquired **Shop C, Ground Floor, Nos. 35-37 Haiphong Road** in Tsim Sha Tsui. This acquisition further enhanced the quality of the Group's investment properties portfolio and consolidated its leading position on the premium retail shops.

Russell Street, Causeway Bay, has become the most valuable shopping street in the world since the first half of 2012 in terms of rent 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.

The Pulse is a multi-functional beach-front shopping complex with a gross floor area of approximately 143,000 square feet in Repulse Bay, which is one of the famous tourist spots in the world and the most dazzling beach in Hong Kong. This project is pending to be leased in the financial year of 2013/2014.

Management Discussion and Analysis

Macau

In Macau, the demolition work at **Nos. 71-75 Avenida de Infante D Henrique & Nos. 514-520, 526-528, 532-540 Avenida de Praia Grande** has completed. It will be redeveloped into a multi-storey premium retail complex with a total gross floor area of approximately 30,000 square feet. It is expected that this corner site will be upgraded and signified as city-centre shopping spot in the Peninsula, a traditional gaming area in Macau. The Group will enjoy stable rental income and long-term rental increment on the intrinsic value of this property investment upon its completion in 2014.

The PRC

In the PRC, clearance work of the site along **Chang'an Avenue East** in Beijing had been completed during the Period. It is planned to be developed into a Grade-A office tower with a total gross floor area of approximately 1,000,000 square feet. The tower will include multi-storey retail podium, entertainment hot spots and parking facilities, which will become another landmark building at the prominent street of the capital city in China.

Located in Yuyuan, Huangpu District, Shanghai, **Emperor Star City** will be developed into a shopping arcade and hotel or service apartment complex at the prime site adjacent to the Shanghai M10 subway route. Its foundation and basement excavation work for the development had been completed. With an expected total gross floor area of approximately 1,300,000 square feet, the complex will include a multi-storey shopping arcade as its major component. The Group expects such project will generate substantial and stable rental revenue upon completion in the future.

Property Development

Subsequent to the issuance of an occupation permit, the units sold at **The Java** have been delivered to the customers during the Period. **The Prince Place**, a 27-storey composite building with a total gross floor area of approximately 30,000 square feet, was put in market for sale after the issuance of an occupation permit in March 2012. The majority of residential units at the Prince Place were sold during the Period. The profit of these two projects has been recognised during the Period.

The occupation permits of **Harbour One** and **18 Upper East** were issued during the Period. The profit of these two projects is expected to be recognised in the second half of the financial year of 2012/2013.

Following the unification of title of the site located at **Nos. 179-180 Connaught Road West & Nos. 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 and 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 completed during the Period 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 with the high demand for luxury low-rise residential properties. Such project is expected to be completed in 2015.

Management Discussion and Analysis

During the Period, the Group acquired a site at **Tuen Mun Town, Lot No. 436, Kwun Fat Street, Siu Lam**, Tuen Mun with a total gross floor area of approximately 39,000 square feet. It will be developed into 16 low-rise detached or semi-detached houses with target completion in 2015.

Hotel Operations and Related Services

This section mainly includes the revenue derived from **Emperor (Happy Valley) Hotel** in Hong Kong and the contributions made by **Grand Emperor Hotel** in Macau, whose income from hospitality and related services had been consolidated with the Group.

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 continued to diversify its guest mix and put great weight in developing high-yield customers.

The construction work of the site located at **No. 373 Queen's Road East**, Wanchai with a gross floor area of approximately 115,000 square feet, was kick-off during the Period. It will be built as a 29-storey hotel with about 300 rooms with leisure, dining and parking facilities. Meanwhile, the foundation work of the site located **Nos. 54-60 Portland Street**, Kowloon with a gross floor area of approximately 48,000 square feet, has commenced during the Period. It will be built as a 30-storey hotel with about 200 rooms. These two hotel projects are planned to be completed in the financial year of 2014/2015.

OUTLOOK

Rental income from the quality retail properties in prime location has been the key driver in providing steady and sustainable revenue to the Group. Dedicated to the Group's continuous efforts and development, its strategic focus will further diversify from the street-level retail properties to the scalable shopping complex at the key tourist areas. It is expected that **The Pulse** and the shopping mall located in **Avenida de Infante D Henrique**, Macau will bring a guaranteed and solid rental income to the Group.

The Group believes that the final completion of **Harbour One** and **18 Upper East** will further increase the earnings visibility in the financial year of 2012/2013. Subsequent to sale of these projects, the Group will accelerate its development plan in the forthcoming years by utilising the existing land bank and acquiring new land reserve. The Group will continue to seek opportunities to expand its land bank in the future.

Attributable to the growth of market demand for hotel accommodation of business travellers and tourists, the Group will further expand the business of hotel operations. The Group believes that these hotels to be inaugurated at **No. 373 Queen's Road East**, Wanchai and **Nos. 54-60 Portland Street**, Kowloon, will serve as attractive alternatives for business travellers and regional tourists visiting Hong Kong.

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.

Management Discussion and Analysis

EMPLOYEES AND REMUNERATION POLICY

The total cost incurred for staff including Directors' emoluments amounted to HK\$229.4 million during the Period as compared with HK\$200.2 million in the last corresponding period. The number of staff was approximately 1,540 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 9 September 2003. During the Period, no share option had been granted and outstanding share options as at 30 September 2012 were 37,693,161 share options.

ASSETS PLEDGED

As at the end of the Period, assets with carrying value of HK\$26,722.1 million were pledged as security for banking facilities.

INTERIM DIVIDEND

The Board is pleased to declare an interim dividend of HK\$0.053 per share ("Interim Dividend") for the financial year ending 31 March 2013 (2011/2012: HK\$0.05 per share) amounting to approximately HK\$194.3 million (2011/2012: HK\$183.3 million). The Interim Dividend will be payable on 21 December 2012 (Friday) to shareholders whose names appear on the register of members of the Company on 14 December 2012 (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 Interim Dividend, from 13 December 2012 (Thursday) to 14 December 2012 (Friday), during which period no transfer of shares will be registered.

In order to qualify for the Interim Dividend, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's Hong Kong Branch Share Registrar, Tricor Secretaries Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. on 12 December 2012 (Wednesday).

The Board of the Company is pleased to announce the unaudited condensed consolidated results of the Group for the Period together with comparative figures for the corresponding period in 2011 as set out below:

Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 September 2012

	Notes	Six months ended 30 September	
		2012 (unaudited) HK\$'000	2011 (unaudited) HK\$'000
Revenue		1,633,661	1,048,484
Cost of sales		(239,491)	(1,288)
Cost of hotel and hotel related operations		(243,022)	(217,275)
Direct operating expenses		(17,501)	(14,308)
Gross profit		1,133,647	815,613
Other income		24,247	17,855
Fair value change in investment properties		2,538,863	1,561,530
Selling and marketing expenses		(258,214)	(298,930)
Administrative expenses		(160,513)	(161,668)
Gain on disposal of subsidiaries	8	–	26,287
Profit from operations	4	3,278,030	1,960,687
Finance costs		(107,116)	(73,208)
Share of results of associates		–	10
Profit before taxation		3,170,914	1,887,489
Taxation	5	(212,780)	(59,223)
Profit for the Period		2,958,134	1,828,266

Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 September 2012

		Six months ended 30 September	
	Notes	2012 (unaudited) HK\$'000	2011 (unaudited) HK\$'000
Other comprehensive income:			
Exchange difference arising on translation of foreign subsidiaries		(23,102)	66,220
Total comprehensive income for the Period		2,935,032	1,894,486
Profit for the Period attributable to:			
Owners of the Company		2,731,524	1,655,287
Non-controlling interests		226,610	172,979
		2,958,134	1,828,266
Total comprehensive income attributable to:			
Owners of the Company		2,708,439	1,721,496
Non-controlling interests		226,593	172,990
		2,935,032	1,894,486
Earnings per share – basic	6	HK\$0.74	HK\$0.45
Earnings per share – diluted	6	HK\$0.74	HK\$0.45

Condensed Consolidated Statement of Financial Position

As at 30 September 2012

	Notes	As at	
		30 September 2012 (unaudited) HK\$'000	31 March 2012 (audited) HK\$'000
Non-current assets			
Investment properties	9	26,388,217	22,745,890
Property, plant and equipment	9	2,387,228	2,322,137
Deposits paid for acquisition of investment properties/property, plant and equipment		129,867	121,492
Prepaid lease payments		305,563	309,846
Interest in an associate		189	189
Amount due from an associate		395	436
Deposits in designated bank account for development properties		51,615	56,017
Goodwill		56,683	56,683
Other assets		4,092	4,442
		29,323,849	25,617,132
Current assets			
Inventories		13,901	13,144
Properties held for sale		493,866	94,591
Properties under development	9	2,773,275	3,083,088
Prepaid lease payments		8,568	8,568
Trade and other receivables	10	842,804	915,696
Investments in trading securities		1	1
Derivative financial instruments		1,078	2,241
Taxation recoverable		–	2,966
Pledged bank deposit		300	300
Short-term bank deposits		239,892	501,923
Bank balances and cash		1,741,326	1,315,914
		6,115,011	5,938,432
Asset classified as held for sale		1,450,000	1,450,000
		7,565,011	7,388,432

Condensed Consolidated Statement of Financial Position

As at 30 September 2012

	Notes	As at	
		30 September 2012 (unaudited) HK\$'000	31 March 2012 (audited) HK\$'000
Current liabilities			
Trade and other payables	11	2,576,908	2,862,882
Amount due to a related company		372,526	372,306
Amounts due to non-controlling interests of subsidiaries		223,403	249,191
Derivative financial instruments		5,057	1,952
Taxation payable		280,793	228,760
Secured bank borrowings – due within one year		2,002,921	2,500,560
		5,461,608	6,215,651
Net current assets		2,103,403	1,172,781
Total assets less current liabilities		31,427,252	26,789,913
Non-current liabilities			
Amount due to a related company		3,029,563	3,282,162
Derivative financial instruments		28,881	23,195
Secured bank borrowings – due after one year		5,870,810	3,859,267
Deferred taxation		527,202	408,976
		9,456,456	7,573,600
		21,970,796	19,216,313
Capital and reserves			
Share capital		36,668	36,668
Reserves		20,039,945	17,458,633
Equity attributable to owners of the Company		20,076,613	17,495,301
Non-controlling interests		1,894,183	1,721,012
		21,970,796	19,216,313

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	Total equity attributable to owners of the Company HK\$'000	Non- controlling interests HK\$'000	Total HK\$'000
As at 1 April 2012 (audited)	36,668	4,542,224	239,028	18,850	129,065	352,326	-	12,177,140	17,495,301	1,721,012	19,216,313
Profit for the Period	-	-	-	-	-	-	-	2,731,524	2,731,524	226,610	2,958,134
Exchange difference arising on translation of foreign subsidiaries	-	-	(23,085)	-	-	-	-	-	(23,085)	(17)	(23,102)
Total comprehensive income for the Period	-	-	(23,085)	-	-	-	-	2,731,524	2,708,439	226,593	2,935,032
Deem capital contribution arising from fair value adjustment on amount due to a related company	-	-	-	-	-	59,027	-	-	59,027	-	59,027
Acquisition of additional interest in certain subsidiaries	-	-	-	-	-	4,370	-	-	4,370	(23,604)	(19,234)
Depreciation attributable to revaluation surplus	-	-	-	-	(904)	-	-	1,053	149	-	149
Deemed capital contribution arising from changes in cash flow estimates on amounts due to non-controlling interests of a subsidiary	-	-	-	-	-	-	-	-	-	(393)	(393)
Dividend paid to owners of the Company	-	-	-	-	-	-	-	(190,673)	(190,673)	-	(190,673)
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(29,425)	(29,425)
As at 30 September 2012 (unaudited)	36,668	4,542,224	215,943	18,850	128,161	415,723	-	14,719,044	20,076,613	1,894,183	21,970,796
As at 1 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 30 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

Condensed Consolidated Statement of Cash Flows

	Six months ended 30 September	
	2012 (unaudited) HK\$'000	2011 (unaudited) HK\$'000
Net cash generated from operating activities	384,469	481,312
Net cash used in investing activities	(905,931)	(509,137)
Net cash generated from financing activities	947,823	320,768
Net increase in cash and cash equivalents	426,361	292,943
Effect of exchange rate changes	(949)	4,366
Cash and cash equivalents at the beginning of the Period	1,315,914	1,097,053
Cash and cash equivalents at the end of the Period	1,741,326	1,394,362

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2012

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 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 31 March 2012.

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 31 March 2012.

In the Period, the Group has adopted certain new Hong Kong Financial Reporting Standards (“HKFRSs”), amendments and interpretations (collectively the “new and revised HKFRSs”), issued by HKICPA that are effective for accounting periods beginning on or after 1 April 2012.

The adoption of the new and revised 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.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2012

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.

	Segment revenue Six months ended 30 September		Segment results Six months ended 30 September	
	2012 (unaudited) HK\$'000	2011 (unaudited) HK\$'000	2012 (unaudited) HK\$'000	2011 (unaudited) HK\$'000
Business segments				
Lease of properties	312,474	217,779	2,827,992	1,756,289
Properties development	394,891	3,342	126,097	(61,473)
Hotel and hotel related operations	926,296	827,363	361,508	287,099
	1,633,661	1,048,484	3,315,597	1,981,915
Interest income			12,489	7,600
Unallocated corporate expenses, net			(50,056)	(55,115)
Gain on disposal of subsidiaries			–	26,287
Finance costs			(107,116)	(73,208)
Share of results of associates			–	10
Taxation			(212,780)	(59,223)
Profit for the Period			2,958,134	1,828,266

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2012

4. PROFIT FROM OPERATIONS

Profit from operations for the Period has been arrived at after charging amortisation and depreciation of approximately HK\$67,811,000 (2011: HK\$59,732,000) in respect of the Group's property, plant and equipment.

5. TAXATION

	Six months ended 30 September	
	2012 (unaudited) HK\$'000	2011 (unaudited) HK\$'000
The charge comprises:		
Current tax		
Hong Kong Profits Tax	(32,529)	(6,500)
PRC Land Appreciation Tax ("LAT")	(16,208)	1,392
Macau Complimentary Income Tax ("CT")	(44,130)	(31,542)
	(92,867)	(36,650)
Deferred taxation	(119,913)	(22,573)
	(212,780)	(59,223)

Hong Kong Profits Tax is calculated at 16.5% (2011: 16.5%) of the estimated assessable profits for the Period.

The CT is calculated at the applicable rate of 12% of estimated assessable profits for the Period (2011: 12%).

The provision of LAT is estimated according to the requirements set forth in the relevant PRC tax laws and regulations. LAT 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.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2012

6. EARNINGS PER SHARE

	Six months ended 30 September	
	2012 (unaudited) HK\$'000	2011 (unaudited) HK\$'000
The calculation of basic and diluted earnings per share is based on the following data:		
Earnings		
Earnings for the purpose of calculating basic and diluted earnings per share	2,731,524	1,655,287
	Number of shares	
Weighted average number of ordinary shares for the purpose of calculating basic and diluted earnings per share	3,666,776,192	3,666,776,192

The computation of diluted earnings per share does not assume the exercise of outstanding share options of the Company and its subsidiary, Emperor Entertainment Hotel Limited ("Emperor EH") as the exercise prices of those options were higher than the average market price of the Company's and Emperor EH's shares during the Period.

7. DIVIDEND

	Six months ended 30 September	
	2012 (unaudited) HK\$'000	2011 (unaudited) HK\$'000
Final dividend of HK\$0.052 per share for the year ended 31 March 2012 paid during the Period (year ended 31 March 2011: HK\$0.052)	190,673	190,673

In respect of the Period, the Directors have resolved to declare an interim dividend of HK\$0.053 (2011: HK\$0.05) per share to shareholders.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2012

8. DISPOSAL OF SUBSIDIARIES

On 25 July 2011, the Group disposed of Emperor Investment Intermediary Limited (“EIIIL”) and its subsidiary which engaged in property investment.

The net assets of EIIIL at the date of disposal were as follows:

	HK\$'000
Investment property	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)
Net assets disposed of	586,745
Gain on disposal	26,287
Total consideration	613,032
Net cash inflow arising on disposal	
Cash consideration	613,032
Less: Bank and cash 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\$1,018,704,000, HK\$126,297,000 and HK\$417,985,000 (2011: HK\$645,724,000, HK\$726,719,000 and HK\$451,615,000) respectively.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2012

10. 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 below:

	As at 30 September 2012 (unaudited) HK\$'000	31 March 2012 (audited) HK\$'000
0 – 30 days	110,700	156,948
31 – 90 days	44,574	16,024
91 – 180 days	4,810	3,906
Over 180 days	20,190	42,643
	180,274	219,521
Chips on hand	113,786	89,315
Other receivables	254,059	343,089
Loan receivable from joint venture partner	181,573	183,183
Deposits and prepayments	113,112	80,588
	842,804	915,696

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\$14,129,000 (as at 31 March 2012: HK\$25,094,000). These related companies are indirectly owned by Albert Yeung Holdings Limited (formerly known as Million Way Holdings Limited) ("AY Holdings") which is held by STC International Limited ("STC International") being the trustee of The Albert Yeung Discretionary Trust (the "AY Trust") (Dr. Yeung Sau Shing, Albert ("Dr. Albert Yeung") is the founder of the AY Trust and a deemed substantial shareholder of the Company). The amounts are unsecured, interest-free and repayable within one year.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2012

11. 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:

	As at	
	30 September 2012 (unaudited) HK\$'000	31 March 2012 (audited) HK\$'000
0 – 90 days	26,752	20,120
91 – 180 days	218	92
Over 180 days	45	35
	27,015	20,247
Construction payables and accruals	546,636	488,717
Other payables and accruals	497,848	163,976
Customers' deposits	171,911	161,517
Deposit received from pre-sale of properties	1,333,498	1,230,425
Land premium payable	–	798,000
	2,576,908	2,862,882

12. CAPITAL COMMITMENTS

	As at	
	30 September 2012 (unaudited) HK\$'000	31 March 2012 (audited) HK\$'000
Authorised but not contracted for in respect of:		
–property under development for sale	1,291,904	1,617,271
–investment properties	2,230,208	2,214,357
–property, plant and equipment	865,686	82,279
	4,387,798	3,913,907
Contracted for but not provided in the consolidated financial statements, net of deposits paid, in respect of:		
–property under development for sale	161,264	280,463
–investment properties	831,184	799,042
–property, plant and equipment	158,419	42,126
	1,150,867	1,121,631
	5,538,665	5,035,538

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2012

13. RELATED PARTY TRANSACTIONS

- (a) Other than disclosed in note 10, the Group also had the following significant transactions with related parties during the Period:

	Six months ended 30 September	
	2012 (unaudited) HK\$'000	2011 (unaudited) HK\$'000
Rental income from related companies	146,102	80,474
Share of administrative expenses by related companies	25,682	23,969
Hotel and restaurant income from related companies	239	345
Advertising and other expenses to related companies	3,540	2,295
Secretarial fee to a related company	330	330
Commission to Dr. Albert Yeung, a deemed substantial shareholder of the Company in capacity of a patron of the Group's VIP rooms	476	62
Interest expenses to a related company	68,241	49,352

- (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 30 September	
	2012 (unaudited) HK\$'000	2011 (unaudited) HK\$'000
Fees	676	525
Salaries and other short term benefit	4,279	4,519
	4,955	5,044

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2012

13. RELATED PARTY TRANSACTIONS (continued)

(c) Rent free quarter to a deemed substantial shareholder

On 22 July 2011, the Group entered into an accommodation contract with Dr. Albert Yeung under which the Group provided Dr. Albert Yeung and his associates (including Ms. Luk Siu Man, Semon ("Ms. Semon Luk"), Chairperson and Non-executive Director of the Company and the spouse of Dr. Albert Yeung) the exclusive right to use and occupy a property of the Group as rent-free quarter (including related expenses in relation to the usage of the property) as his emolument for his services as a consultant of the Group. The market rental values and the related expenses of the quarter up to 30 September 2012 was approximately HK\$4,443,000 (2011: HK\$1,698,000).

(d) Acquisition of addition interest in a subsidiary

On 6 July 2012, Skillworld Limited ("Skillworld"), a wholly-owned subsidiary of the Company, entered into a sale and purchase agreement with Eastluck Group Limited ("Eastluck") to acquire approximately 3.05% of the issued share capital of Levin Group Limited ("Levin") and its shareholder's loan advanced to Levin at an aggregate consideration of approximately HK\$15,643,000. Eastluck is indirectly wholly-owned by a trustee of a discretionary trust, the beneficiaries of which are family members of Mr. Yeung Hoi Sing, Sonny who is the brother of Dr. Albert Yeung.

(e) Amounts due to related parties

	As at	
	30 September 2012 (unaudited) HK\$'000	31 March 2012 (audited) HK\$'000
Amounts due to non-controlling interests of subsidiaries	223,403	249,191
Amount due to a related company	3,402,089	3,654,468

Related companies are companies controlled by certain Directors of the Company or companies indirectly owned by AY Holdings which is held by STC International being the trustee of the AY Trust (Dr. Albert Yeung is the founder of the AY Trust and a deemed substantial shareholder of the Company).

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2012

14. 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 end of the reporting period were as follows:

	As at	
	30 September 2012 (unaudited) HK\$'000	31 March 2012 (audited) HK\$'000
Investment properties	20,407,628	17,606,280
Properties under development		
– for lease	2,430,000	700,000
– for sale	1,507,866	1,647,582
– hotel	683,940	659,541
Land and buildings	82,576	83,682
Hotel properties	1,610,128	1,630,864
	26,722,138	22,327,949

Directors' and Chief Executives' Interests and Short Positions in Securities

As at 30 September 2012, the following Directors and chief executives of the Company had or were taken or deemed to have interests and short positions in the following 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 maintained by the Company pursuant to Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") of the Listing Rules:

(A) LONG POSITIONS 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 Shares held	Approximate % holding
Ms. Semon Luk	Interest of spouse	2,747,610,489 (Note 1)	74.93%

(ii) Share options

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

Notes:

- Out of a total of 2,747,610,489 Shares, 2,747,493,823 Shares were held by Emperor International Group Holdings Limited (formerly known as Charron Holdings Limited) ("Emperor International Group Holdings"). Emperor International Group Holdings was wholly-owned by AY Holdings, which was in turn held by STC International, being the trustee of the 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 Emperor International Group Holdings. The remaining 116,666 Shares were owned by Dr. Albert Yeung in his own name. By virtue of being the spouse of Dr. Albert Yeung, Ms. Semon Luk also had deemed interests in the same Shares.
- The share options were granted to such Directors under the share option scheme of the Company.

Directors' and Chief Executives' Interests and Short Positions in Securities

(B) LONG POSITIONS IN SHARES AND 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	Emperor EH	Interest of spouse	807,362,845 (Note 1)	62.46%
Ms. Semon Luk	Emperor Watch & Jewellery Limited ("Emperor W&J")	Interest of spouse	3,609,550,000 (Note 2)	53.73%
Ms. Semon Luk	Emperor Capital Group Limited ("Emperor Capital Group")	Interest of spouse	1,660,326,907 (Note 3)	63.92%
Ms. Semon Luk	New Media Group Holdings Limited ("New Media Group")	Interest of spouse	453,430,000 (Note 4)	52.48%

Notes:

- Emperor EH is company with its shares listed in Hong Kong. These shares in Emperor EH were held by Emperor Entertainment Hotel Holdings Limited (formerly known as Worthly Strong Investment Limited) ("Emperor EH Holdings") which is an indirect wholly-owned subsidiary of the Company. The Company was owned as to approximately 74.93% by Emperor International Group Holdings. Emperor International Group Holdings is wholly-owned by AY Holdings which was in turn held by STC International, being the trustee of the AY Trust. Dr. Albert Yeung, as founder of the AY Trust, had deemed interests in the above shares of Emperor EH. 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.
- Emperor W&J is a company with its shares listed in Hong Kong. These shares of Emperor W&J were held by Emperor Watch & Jewellery Group Holdings Limited (formerly known as Allmighty Group Limited) ("Emperor W&J Holdings"). Emperor W&J Holdings was wholly-owned by AY Holdings which was in turn held by STC International, being the trustee of the AY Trust. Dr. Albert Yeung, as founder of the AY Trust, had deemed interests in the above shares of Emperor W&J. 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.

Directors' and Chief Executives' Interests and Short Positions in Securities

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

(i) Ordinary shares (continued)

Notes: (continued)

3. Emperor Capital Group is a company with its shares listed in Hong Kong. These shares of Emperor Capital Group were held by Emperor Capital Group Holdings Limited (formerly known as Win Move Group Limited) ("Emperor Capital Holdings"). Emperor Capital Holdings was wholly-owned by AY Holdings which was in turn held by STC International, being the trustee of the AY Trust. Dr. Albert Yeung, as founder of the AY Trust, had deemed interests in the above shares of Emperor Capital Group. 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.
4. New Media Group is a company with its shares listed in Hong Kong. These shares of New Media Group were held by New Media Group Investment Limited (formerly known as Velba Limited) ("New Media Investment"). New Media Investment was wholly-owned by AY Holdings which was in turn held by STC International, being the trustee of the AY Trust. Dr. Albert Yeung, as founder of the AY Trust, had deemed interests in the above shares of New Media Group. 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.

(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	Emperor EH	Beneficial owner	5,000,000	0.39%
Ms. Fan Man Seung, Vanessa	Emperor EH	Beneficial owner	5,000,000	0.39%

Note:

These were share options granted to directors of Emperor EH (also being Directors of the Company) under the share option scheme of Emperor EH.

Save as disclosed above, as at 30 September 2012, none of the Directors nor chief executives of the Company had any interests or short positions in any Shares, underlying Shares and debentures of the Company or any of its associated corporation(s) (within the meaning of Part XV of the SFO).

Other Persons' Interests and Short Positions in Securities

As at 30 September 2012, so far as is known to any Directors or chief executives of the Company, the following persons or corporations (other than a Director or a chief executive of the Company) who had, or were taken or deemed to have interests and short positions in the Shares or underlying Shares as recorded in the register required to be kept under Section 336 of the SFO or as otherwise notified to the Company were as follows:

LONG POSITIONS IN SHARES OF THE COMPANY

Name of shareholder	Capacity/ Nature of interests	Number of Shares/ underlying Shares held	Approximate % holding
Emperor International Group Holdings	Beneficial owner	2,747,493,823	74.93%
AY Holdings	Interest in a controlled corporation	2,747,493,823	74.93%
STC International	Trustee of the AY Trust	2,747,493,823	74.93%
Dr. Albert Yeung	Founder of the AY Trust	2,747,610,489	74.93%

Note:

The entire issued share capital of Emperor International Group Holdings was wholly-owned by AY Holdings which was held by STC International, the trustee of the AY Trust. Dr. Albert Yeung, as founder of the AY Trust, was deemed to have interest in the above Shares held by Emperor International Group Holdings. Out of the above 2,747,610,489 Shares, 116,666 Shares were held by Dr. Albert Yeung in his own name. By virtue of being the spouse of Dr. Albert Yeung, Ms. Semon Luk also had deemed interests in the 2,747,610,489 Shares which were the same Shares as those set out under Section (A)(i) of "Directors' and Chief Executives' Interests and Short Positions in Securities" above.

All interests stated above represent long position. As at 30 September 2012, no short positions were recorded in the SFO register of the Company.

Save as disclosed above, as at 30 September 2012, the Directors or chief executives of the Company were not aware of any other persons or corporation (other than the Directors and chief executives of the Company) who had, or were taken or deemed to have, any interests or short positions in Shares or underlying Shares 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 9 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 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 outstanding share options are set out below:

Name of grantee	Date of grant	Exercise period	Exercise price (adjusted) (HK\$)	Number of share options outstanding (adjusted) as at 1 April 2012 and 30 September 2012
Director				
Mr. Wong Chi Fai	11 August 2005	11 August 2005 – 10 August 2015	1.746	10,769,475
	28 January 2008	28 January 2008 – 27 January 2013	2.702	5,384,737
Ms. Fan Man Seung, Vanessa	11 August 2005	11 August 2005 – 10 August 2015	1.746	10,769,475
	28 January 2008	28 January 2008 – 27 January 2013	2.702	5,384,737
Mr. Cheung Ping Keung	28 January 2008	28 January 2008 – 27 January 2013	2.702	5,384,737
				<hr/>
				37,693,161

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

CORPORATE GOVERNANCE CODE

The Company has complied throughout the Period with all the provisions of the Corporate Governance Code 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.

Share Options and Other Information

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 three Independent Non-executive Directors of the Company.

CHANGES IN INFORMATION OF DIRECTORS

Pursuant to the requirements of Rule 13.51B(1) of the Listing Rules, the changes in Directors' information since the date of the 2011/2012 Annual Report are set out below:

(i) Change of Director and positions held with board committees of the Company

Positions	Appointment Date	Cessation Date
Mr. Law Ka Ming, Michael ("Mr. Michael Law")		
– Independent Non-executive Director	–	8 August 2012
– Audit Committee – member	–	8 August 2012
– Remuneration Committee – member	–	8 August 2012
– Nomination Committee – chairman	–	8 August 2012
Ms. Cheng Ka Yu		
– Independent Non-executive Director	8 August 2012	–
– Audit Committee – member	8 August 2012	–
– Remuneration Committee – member	8 August 2012	–
– Nomination Committee – chairperson	8 August 2012	–

Note:

Mr. Michael Law retired by rotation as Director upon conclusion of the Annual General Meeting held on 8 August 2012. Ms. Cheng Ka Yu was elected by the shareholders of the Company at the said AGM as Director to fill the casual vacancy created by Mr. Michael Law upon conclusion of the said AGM.

(ii) Directors' emoluments

The Remuneration Committee of the Company had reviewed the Directors' fee and with effect from 1 April 2012, the fees of Executive Directors and Independent Non-executive Directors had been adjusted as follows:

	HK\$ (per annum)
Executive Directors	150,000 ^(Note 1)
Independent Non-executive Directors	200,000 ^(Note 2)

Notes:

1. as determined by the Remuneration Committee
2. as determined by the Board

The fees were determined with reference to market rates and the duties and responsibilities of the Directors.

Save as disclosed above, the Company is not aware of other changes in the Directors' information which is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

Share Options and Other Information

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 International Holdings Limited
Luk Siu Man, Semon
Chairperson

Hong Kong, 26 November 2012

As at the date hereof, the Board comprises:

Non-executive Director: Ms. Luk Siu Man, Semon

Executive Directors: Mr. Wong Chi Fai
Ms. Fan Man Seung, Vanessa
Mr. Cheung Ping Keung

Independent Non-executive Directors: Mr. Chan Man Hon, Eric
Mr. Liu Hing Hung
Ms. Cheng Ka Yu

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 the shareholders to elect to receive electronic copy of our Corporate Communications. Upon written request, a 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, Hong Kong or by email at is-enquiries@hk.tricorglobal.com.