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

(Incorporated in Bermuda with limited liability)

(Stock Code: 163)

**ANNOUNCEMENT OF INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30TH SEPTEMBER, 2011**

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

* *for identification purposes only*

The board of directors (the “Board” or the “Directors”) of Emperor International Holdings Limited (the “Company”) is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (collectively referred to as the “Group”) for the six months ended 30th September, 2011 (the “Period”) together with comparative figures for the corresponding period in 2010 as set out below:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30th September, 2011

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

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30th September, 2011

		As at 30th September, 2011 (unaudited) <i>HK\$'000</i>	31st March, 2011 (audited) <i>HK\$'000</i>
	<i>Notes</i>		
Non-current assets			
Investment properties	9	19,062,684	17,928,096
Property, plant and equipment	9	2,344,824	1,673,463
Deposits paid for acquisition of investment properties/property, plant and equipment		320,342	386,162
Prepaid lease payments		314,130	318,414
Interests in associates		182	172
Amount due from an associate		395	2,645
Deposits in designated bank account for development properties		115,428	39,835
Loans receivable		182,114	178,003
Goodwill		56,683	56,683
Other assets		4,442	4,442
		22,401,224	20,587,915
Current assets			
Inventories		11,254	8,153
Properties held for sale		5,719	6,720
Properties under development		3,105,690	2,654,075
Prepaid lease payments		8,568	8,568
Trade and other receivables	10	1,059,412	922,330
Investments in trading securities		1	1
Taxation recoverable		288	58
Pledged bank deposit		300	300
Bank balances and cash		1,394,362	1,097,053
		5,585,594	4,697,258

		As at	
		30th September, 2011 (unaudited) <i>HK\$'000</i>	31st March, 2011 (audited) <i>HK\$'000</i>
	<i>Notes</i>		
Current liabilities			
Trade and other payables	11	2,282,854	1,670,370
Amount due to a related company		776,586	354,919
Amounts due to non-controlling interests of subsidiaries		264,392	203,451
Taxation payable		196,477	164,730
Derivative financial instruments		21,681	–
Secured bank borrowings – due within one year		<u>1,495,117</u>	<u>1,444,112</u>
		<u>5,037,107</u>	<u>3,837,582</u>
Net current assets		<u>548,487</u>	<u>859,676</u>
Total assets less current liabilities		<u>22,949,711</u>	<u>21,447,591</u>
Non-current liabilities			
Amount due to a related company		2,945,617	2,247,790
Amounts due to non-controlling interests of subsidiaries		–	72,983
Secured bank borrowings – due after one year		3,269,064	4,228,511
Deferred taxation		<u>351,120</u>	<u>338,757</u>
		<u>6,565,801</u>	<u>6,888,041</u>
		<u>16,383,910</u>	<u>14,559,550</u>
Capital and reserves			
Share capital		36,668	36,668
Reserves		<u>14,871,293</u>	<u>13,175,593</u>
Equity attributable to owners of the Company		14,907,961	13,212,261
Non-controlling interests		<u>1,475,949</u>	<u>1,347,289</u>
		<u>16,383,910</u>	<u>14,559,550</u>

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

For the six months ended 30th September, 2011

1. BASIS OF PREPARATION

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

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

2. PRINCIPAL ACCOUNTING POLICIES

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

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

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

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

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

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

3. SEGMENT INFORMATION

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

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

4. PROFIT FROM OPERATIONS

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

5. TAXATION

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

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

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

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

6. EARNINGS PER SHARE

Six months ended 30th September,	
2011	2010
(unaudited)	(unaudited)
	(restated)
HK\$'000	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

<u><u>1,655,287</u></u>	<u><u>1,142,091</u></u>
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Number of shares

Weighted average number of ordinary shares for the purpose of calculating basic and diluted earnings per share

<u><u>3,666,776,192</u></u>	<u><u>2,968,310,840</u></u>
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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 (“EEH”) as the exercise prices of those options were higher than average market price of the Company’s and EEH’s shares during the Period.

7. DIVIDEND

Six months ended 30th September,	
2011	2010
(unaudited)	(unaudited)
HK\$'000	HK\$'000

Final dividend of HK\$0.052 per share for the year ended 31st March, 2011 paid during the Period (year ended 31st March, 2010: HK\$0.04)

<u><u>190,673</u></u>	<u><u>118,732</u></u>
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In respect of the Period, the Directors declared an interim dividend of HK\$0.05 (2010: HK\$0.048) per share to shareholders.

8. DISPOSAL OF SUBSIDIARIES

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

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

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

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

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

10. TRADE AND OTHER RECEIVABLES

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

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

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

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

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

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

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

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

MANAGEMENT DISCUSSION AND ANALYSIS

The Group principally engages in property investments, property development and operation of hotels in Hong Kong, Macau and the PRC.

Financial Review

Overall Review

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

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

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

Basic and diluted earnings per share were HK\$0.45 (2010: HK\$0.38) and HK\$0.45 (2010: HK\$0.38) respectively. The Board declared an interim dividend of HK\$0.05 per share.

Liquidity And Financial Resources

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

The Group has bank balances and cash amounted to HK\$1,394.4 million as at 30th September, 2011. The total external borrowings (excluding payables) amounted to approximately HK\$8,750.8 million and the Group maintained a debt to total asset ratio of 31.3% (measured by total external borrowings as a percentage to the total asset value of the Group). In addition to its share capital and reserves, the Group made use of cash flow generated from operations, bank borrowings and unsecured loans from a related company to finance its operation. The Group's bank borrowings were denominated in Hong Kong dollars and Renminbi ("RMB") and their interest rates followed market rates. The Group's bank balances and cash were also denominated in Hong Kong dollars, RMB and Macau Pataca ("MOP"). Since RMB and MOP are relatively stable, the Group had no material exposure to fluctuations in exchange rates.

Business Review

Investment Property

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

Hong Kong

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

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

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

Macau

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

The PRC

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

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

Property Development

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

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

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

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

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

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

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

Hotel Operations and Related Services

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

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

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

OUTLOOK

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

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

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

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

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

EMPLOYEES AND REMUNERATION POLICY

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

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

ASSETS PLEDGED

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

CONTINGENT LIABILITIES

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

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

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

INTERIM DIVIDEND

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

CLOSURE OF REGISTER OF MEMBERS

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

In order to qualify for the Dividend, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company’s Hong Kong branch share registrar, Tricor Secretaries Limited, at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on 14th December, 2011 (Wednesday). Dividend warrants will be despatched on 23rd December, 2011 (Friday).

REVIEW OF INTERIM RESULTS

These condensed consolidated interim financial statements of the Group have not been audited nor reviewed by the Company’s auditor, Deloitte Touche Tohmatsu, but have been reviewed by the audit committee of the Company, which comprises the three Independent Non-executive Directors of the Company.

CORPORATE GOVERNANCE

Code on Corporate Governance Practices

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

Model Code for Securities Transactions

The Company had adopted the Model Code for Securities Transactions by Directors of Listed Issuers (“Model Code”) as set out in Appendix 10 of the Listing Rules as 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.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities during the Period.

PUBLICATION OF THE UNAUDITED INTERIM RESULTS AND INTERIM REPORT

The interim results announcement is published on the Stock Exchange’s website (<http://www.hkex.com.hk>) and the Company’s website (<http://www.emperorinternational.com.hk>). The interim report will be dispatched to the shareholders of the Company and will be available on the websites of the Stock Exchange and the Company in due course.

By order of the Board
Emperor International Holdings Limited
Luk Siu Man, Semon
Chairperson

Hong Kong, 28th November, 2011

As at the date hereof, the Board comprises:

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