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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 30 SEPTEMBER 2012**

**FINANCIAL HIGHLIGHTS (UNAUDITED)**

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

\* *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 30 September 2012 (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*

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

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

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

*As at 30 September 2012*

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

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

## **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 (“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 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.

### 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	
	30 September		30 September	
	2012	2011	2012	2011
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>Business segments</b>				
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
	<u>1,633,661</u>	<u>1,048,484</u>	<u>3,315,597</u>	<u>1,981,915</u>
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			<u>2,958,134</u>	<u>1,828,266</u>

### 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

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

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.



## 6. EARNINGS PER SHARE

Six months ended 30 September	
2012	2011
(unaudited)	(unaudited)
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>2,731,524</u>	<u>1,655,287</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>3,666,776,192</u>	<u>3,666,776,192</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 (“Emperor EH”) as the exercise prices of those options were higher than average market price of the Company’s and Emperor EH’s shares during the Period.

## 7. DIVIDEND

Six months ended 30 September	
2012	2011
(unaudited)	(unaudited)
HK\$'000	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)

<u>190,673</u>	<u>190,673</u>
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In respect of the Period, the Directors declared an interim dividend of HK\$0.053 (2011: HK\$0.05) per share to shareholders.

## 8. DISPOSAL OF SUBSIDIARIES

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

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

	<i>HK\$'000</i>
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)
	<hr/>
Net assets disposed of	586,745
Gain on disposal	26,287
	<hr/>
Total consideration	613,032
	<hr/> <hr/>
	<i>HK\$'000</i>
Net cash inflow arising on disposal	
Cash consideration	613,032
Less: Bank and cash balance disposed of	–
	<hr/>
	613,032
	<hr/> <hr/>

## 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.

## 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	31 March
	2012	2012
	(unaudited)	(audited)
	HK\$'000	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
	<hr/>	<hr/>
	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
	<hr/>	<hr/>
	842,804	915,696
	<hr/> <hr/>	<hr/> <hr/>

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 which is held by STC International Limited being the trustee of The Albert Yeung Discretionary Trust (the "AY Trust") (Dr. Yeung Sau Shing, Albert 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.

## 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:

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

## **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***

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 6 months ended 30 September 2012.

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 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.

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.

### *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.

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 2014/15.

### **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.

#### **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).

## **REVIEW OF INTERIM RESULTS**

The condensed consolidated 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 three Independent Non-executive Directors of the Company.

## **CORPORATE GOVERNANCE**

### **Corporate Governance Code**

The Company had 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 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 Director's 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**

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

## **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, 26 November 2012

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

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