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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 2013**

<b>FINANCIAL HIGHLIGHTS</b>			
	<b>Six months ended 30 September</b>		<b>Changes</b>
	<b>2013 (unaudited) HK\$'000</b>	<b>2012 (unaudited) HK\$'000</b>	
Revenue			
Lease of properties	<b>306,874</b>	312,474	<b>-1.8%</b>
Properties development	<b>59,840</b>	394,891	<b>-84.8%</b>
Hotel and hotel related operations	<b>1,118,104</b>	926,296	<b>+20.7%</b>
Total revenue	<b><u>1,484,818</u></b>	<b><u>1,633,661</u></b>	<b>-9.1%</b>
Gross Profit	<b><u>1,161,650</u></b>	<b><u>1,133,647</u></b>	<b>+2.5%</b>
Revaluation gain on properties	<b><u>800,200</u></b>	<b><u>2,538,863</u></b>	<b>-68.5%</b>
Total segment profit (excluding revaluation gain)	<b><u>753,516</u></b>	<b><u>776,734</u></b>	<b>-3.0%</b>

\* 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 2013 (the “Period”) together with comparative figures for the corresponding period in 2012 as set out below:

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

*For the six months ended 30 September 2013*

	<i>Notes</i>	<b>Six months ended</b>	
		<b>30 September</b>	<b>2012</b>
		<b>2013</b>	2012
		<b>(unaudited)</b>	(unaudited)
			(restated)
		<b>HK\$'000</b>	<b>HK\$'000</b>
Revenue		<b>1,484,818</b>	1,633,661
Cost of properties sales		<b>(24,981)</b>	(239,491)
Cost of hotel and hotel related operations		<b>(281,458)</b>	(243,022)
Direct operating expenses in respect of leasing of properties		<b>(16,729)</b>	(17,501)
Gross profit		<b>1,161,650</b>	1,133,647
Other income		<b>41,796</b>	24,247
Fair value changes in properties		<b>800,200</b>	2,538,863
Other gains and losses		<b>8,565</b>	(12,168)
Selling and marketing expenses		<b>(301,160)</b>	(258,214)
Administrative expenses		<b>(160,846)</b>	(150,559)
Profit from operations	4	<b>1,550,205</b>	3,275,816
Finance costs		<b>(93,991)</b>	(104,902)
Profit before taxation		<b>1,456,214</b>	3,170,914
Taxation	5	<b>(155,282)</b>	(212,780)
Profit for the period		<b><u>1,300,932</u></b>	<b><u>2,958,134</u></b>

		<b>Six months ended</b>	
		<b>30 September</b>	
		<b>2013</b>	2012
		<b>(unaudited)</b>	(unaudited)
			(restated)
	<i>Notes</i>	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>Other comprehensive income, net of income tax</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences arising on translation of foreign subsidiaries		<u>57,586</u>	<u>(23,102)</u>
<b>Total comprehensive income for the period</b>		<b><u>1,358,518</u></b>	<b><u>2,935,032</u></b>
<b>Profit for the period attributable to:</b>			
Owners of the Company		1,049,360	2,731,524
Non-controlling interests		<u>251,572</u>	<u>226,610</u>
		<b><u>1,300,932</u></b>	<b><u>2,958,134</u></b>
<b>Total comprehensive income for the period attributable to:</b>			
Owners of the Company		1,106,894	2,708,439
Non-controlling interests		<u>251,624</u>	<u>226,593</u>
		<b><u>1,358,518</u></b>	<b><u>2,935,032</u></b>
Earnings per share – basic	6	<b><u>HK\$0.29</u></b>	<b><u>HK\$0.74</u></b>
Earnings per share – diluted	6	<b><u>HK\$0.29</u></b>	<b><u>HK\$0.74</u></b>

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

*As at 30 September 2013*

		As at <b>30 September</b>	31 March
		<b>2013</b>	2013
		<b>(unaudited)</b>	(audited)
<i>Notes</i>		<i>HK\$'000</i>	<i>HK\$'000</i>
<b>Non-current assets</b>			
Investment properties	8	<b>32,216,683</b>	29,357,827
Property, plant and equipment	8	<b>2,727,752</b>	2,698,992
Deposits paid for acquisition of investment properties/property, plant and equipment		<b>25,933</b>	104,482
Receivables related to a development project		<b>187,286</b>	183,877
Prepaid lease payments		<b>296,995</b>	301,278
Goodwill		<b>56,683</b>	56,683
Other assets		<b>4,092</b>	4,092
		<hr/> <b>35,515,424</b>	<hr/> 32,707,231
<b>Current assets</b>			
Inventories		<b>14,000</b>	14,179
Properties held for sale		<b>210,025</b>	234,438
Properties under development for sale	8	<b>1,872,318</b>	1,804,664
Prepaid lease payments		<b>8,568</b>	8,568
Trade and other receivables	9	<b>578,136</b>	677,432
Investments in trading securities		–	1
Derivative financial instruments		<b>2,362</b>	7,477
Taxation recoverable		<b>5,584</b>	2,344
Deposits in designated bank account for development properties		<b>11,614</b>	14,801
Pledged bank deposits		<b>1,991,162</b>	300
Short-term bank deposits		<b>92,164</b>	22,244
Bank balances and cash		<b>643,361</b>	2,309,974
		<hr/> <b>5,429,294</b>	<hr/> 5,096,422

		As at	
		30 September 2013 (unaudited) HK\$'000	31 March 2013 (audited) HK\$'000
	Notes		
<b>Current liabilities</b>			
Trade and other payables	10	1,023,609	1,021,068
Amount due to a related company		402,533	398,590
Amounts due to non-controlling interests of subsidiaries		188,539	232,031
Derivative financial instruments		–	2,062
Taxation payable		577,220	492,422
Secured bank borrowings – due within one year		1,611,490	812,841
		<u>3,803,391</u>	<u>2,959,014</u>
<b>Net current assets</b>		<u>1,625,903</u>	<u>2,137,408</u>
<b>Total assets less current liabilities</b>		<u>37,141,327</u>	<u>34,844,639</u>
<b>Non-current liabilities</b>			
Amount due to a related company		3,196,196	3,317,390
Derivative financial instruments		21,818	24,276
Secured bank borrowings – due after one year		6,512,333	5,416,407
Deferred taxation		717,066	629,878
		<u>10,447,413</u>	<u>9,387,951</u>
		<u>26,693,914</u>	<u>25,456,688</u>
<b>Capital and reserves</b>			
Share capital		36,668	36,668
Reserves		24,333,492	23,311,716
<b>Equity attributable to owners of the Company</b>		<u>24,370,160</u>	<u>23,348,384</u>
<b>Non-controlling interests</b>		<u>2,323,754</u>	<u>2,108,304</u>
		<u>26,693,914</u>	<u>25,456,688</u>

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

*For the six months ended 30 September 2013*

## 1. BASIS OF PREPARATION

The unaudited condensed 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 2013.

## 2. PRINCIPAL ACCOUNTING POLICIES

The unaudited 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.

In the current Period, the Group has adopted certain new Hong Kong Financial Reporting Standards (the “HKFRSs”), amendments and interpretation (collectively the “New and Revised HKFRSs”), issued by HKICPA that are effective for accounting periods beginning on or after 1 April 2013. Certain figures in condensed consolidated statement of profit or loss and other comprehensive income have been reclassified in order to conform with current Period’s presentation.

Except for as described below, the accounting policies used in the unaudited condensed consolidated financial statements are consistent with those followed in the preparation of the Group’s annual financial statements for the year ended 31 March 2013.

### **New and revised standards on consolidation, joint arrangements, associates and disclosures**

In the current Period, the Group has applied for the first time HKFRS 10, HKFRS 11, HKFRS 12 and HKAS 28 (as revised in 2011) together with the amendments to HKFRS 10, HKFRS 11 and HKFRS 12 regarding the transitional guidance. HKAS 27 (as revised in 2011) is not applicable to these condensed consolidated financial statements as it deals only with separate financial statements.

HKFRS 10 replaces the parts of HKAS 27 “Consolidated and separate financial statements” that deal with consolidated financial statements and HK(SIC) – Int 12 “Consolidation – Special purpose entities”. HKFRS 10 changes the definition of control such that an investor has control over an investee when a) it has power over the investee, b) it is exposed, or has rights, to variable returns from its involvement with the investee and c) has the ability to use its power to affect its returns. All three of these criteria must be met for an investor to have control over an investee. Previously, control was defined as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Additional guidance has been included in HKFRS 10 to explain when an investor has control over an investee.

HKFRS 12 is a new disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the application of HKFRS 12 will result in more extensive disclosures in the Group’s annual consolidated financial statements for the year ending 31 March 2014.

The Directors of the Company reviewed and assessed the application of these five standards in the current Period and concluded that they have had no material effect on the amounts reported in these condensed consolidated financial statements and/or disclosures set out in these condensed consolidated financial statements. In particular, the Directors of the Company have assessed the impact on HKFRS 10 which changes the definition of control over an investee, and concluded that no material effect on the condensed consolidated financial statements.

**Amendments to HKFRS 7 “Disclosures – Offsetting financial assets and financial liabilities”**

The amendments to HKFRS 7 require entities to disclose information about rights of offset and related arrangements for financial instruments under an enforceable master netting agreement or similar arrangement. The Group has outstanding foreign currency contracts and interest rate contracts presented as derivative financial instruments in the unaudited condensed consolidated statement of financial position which are under master netting agreements.

The amendments have been applied retrospectively. For the purpose of preparing the unaudited condensed consolidated financial statements, the additional disclosures are not presented but will be included in the Group’s annual consolidated financial statements for the year ending 31 March 2014.

**HKFRS 13 “Fair value measurement”**

The Group has applied HKFRS 13 for the first time in the current Period. HKFRS 13 establishes a single source of guidance for, and disclosures about, fair value measurements, and replaces those requirements previously included in various HKFRSs. Consequential amendments have been made to HKAS 34 to require certain disclosures to be made in the condensed consolidated financial statements.

The scope of HKFRS 13 is broad, and applies to both financial instrument items and non-financial instrument items for which other HKFRSs require or permit fair value measurements and disclosures about fair value measurements, subject to a few exceptions. HKFRS 13 contains a new definition for ‘fair value’ and defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions. Fair value under HKFRS 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique. Also, HKFRS 13 includes extensive disclosure requirements.

In accordance with the transitional provisions of HKFRS 13, the Group has applied the new fair value measurement and disclosure requirements prospectively. The application of this HKFRS in the current Period has had no material effect on the amounts reported in these condensed consolidated financial statements.

**Amendments to HKAS 1 “Presentation of items of other comprehensive income”**

The amendments to HKAS 1 introduce new terminology for statement of comprehensive income and income statement. Under the amendments to HKAS 1, a statement of comprehensive income is renamed as a statement of profit or loss and other comprehensive income.

The amendments to HKAS 1 require additional disclosures to be made in the other comprehensive section such that items of other comprehensive income are grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss; and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis – the amendments do not change the existing option to present items of other comprehensive income either before tax or net of tax. The amendments have been applied retrospectively, and hence the presentation of items of other comprehensive income has been modified to reflect the changes.

**Amendments to HKAS 34 “Interim financial reporting”**

**(as part of the annual improvements to HKFRSs 2009-2011 Cycle)**

The Group has applied the amendments to HKAS 34 as part of the annual improvements to HKFRSs 2009-2011 cycle for the first time in the current Period. The amendments to HKAS 34 clarify that the total assets and total liabilities for a particular reportable segment would be separately disclosed in the interim financial statements only when the amounts are regularly provided to the chief operating decision maker (the “CODM”) and there has been a material change from the amounts disclosed in the last annual financial statements for that reportable segment.

Since the CODM does not review assets and liabilities of the Group’s reportable segments for performance assessment and resource allocation purposes, the Group has not included total assets and liabilities information as part of segment information as disclosed in note 3.

The application of the other New or Revised HKFRSs in the current Period has had no material effect on the amounts reported in these condensed consolidated financial statements and/or disclosures set out in these condensed consolidated financial statements.

The Group had not applied any new standards or interpretations that are not yet effective for the current 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	
	2013	2012	2013	2012
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
				(restated)
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>Business segments</b>				
Lease of properties	<b>306,874</b>	312,474	<b>1,084,113</b>	2,827,992
Properties development	<b>59,840</b>	394,891	<b>27,951</b>	126,097
Hotel and hotel related operations	<b>1,118,104</b>	926,296	<b>441,652</b>	361,508
	<b><u>1,484,818</u></b>	<u>1,633,661</u>	<b><u>1,553,716</u></b>	<u>3,315,597</u>
Interest income			<b>25,703</b>	12,489
Unallocated corporate expenses, net			<b>(37,779)</b>	(40,102)
Other gains and losses			<b>8,565</b>	(12,168)
Finance costs			<b>(93,991)</b>	(104,902)
Taxation			<b>(155,282)</b>	(212,780)
Profit for the period			<b><u>1,300,932</u></b>	<u>2,958,134</u>

### 4. PROFIT FROM OPERATIONS

Profit from operations for the Period has been arrived at after charging amortisation and depreciation of approximately HK\$80,974,000 (2012: HK\$67,811,000) in respect of the Group's property, plant and equipment.

## 5. TAXATION

	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2013</b>	2012
	<b>(unaudited)</b>	(unaudited)
	<b>HK\$'000</b>	HK\$'000
The charge comprises:		
Current tax		
Hong Kong Profits Tax	<b>(24,672)</b>	(32,529)
People's Republic of China (the "PRC")		
Land Appreciation Tax ("LAT")	<b>(225)</b>	(16,208)
Macau Complementary Income Tax ("CT")	<b>(52,767)</b>	(44,130)
	<u><b>(77,664)</b></u>	<u>(92,867)</u>
Deferred taxation	<b>(77,618)</b>	(119,913)
	<u><b>(155,282)</b></u>	<u>(212,780)</u>

Hong Kong Profits Tax is calculated at 16.5% (2012: 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 (2012: 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	
2013	2012
(unaudited)	(unaudited)
HK\$'000	HK\$'000

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

### Earnings

Earnings (profit for the period attributable to owners of the Company) for the purpose of basic and diluted earnings per share

<u>1,049,360</u>	<u>2,731,524</u>
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### Number of shares

Number of ordinary shares in issue for the purpose of basic earnings per share

3,666,776,192	3,666,776,192
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Effect of dilutive potential ordinary shares:

Share options of the Company

<u>1,792,900</u>	—
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Weighted average number of ordinary shares for the purpose of diluted earnings per share

<u>3,668,569,092</u>	<u>3,666,776,192</u>
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The calculation of diluted earnings per share is based on the profit for the Period attributable to owners of the Company and the weighted average number of ordinary shares adjusted by the weighted average number of ordinary shares assumed to have been issued under the share option scheme. The dilutive effect on the exercise of share options of the Company's subsidiary, Emperor Entertainment Hotel Limited ("Emperor E Hotel"), is immaterial. No adjustment has been made to the weighted average number of ordinary shares assumed to have been issued under the share option scheme in the period ended 30 September 2012 as the respective exercise prices of those share options were higher than the respective average market prices of the Company's and Emperor E Hotel's shares.

## 7. DIVIDENDS

Six months ended	
30 September	
2013	2012
(unaudited)	(unaudited)
HK\$'000	HK\$'000

Final dividend of HK\$0.056 per share for the year ended 31 March 2013 paid during the period (year ended 31 March 2012: HK\$0.052)

<u>205,339</u>	<u>190,673</u>
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In respect of the Period, the Directors have resolved to declare an interim dividend of HK\$0.055 (2012: HK\$0.053) per share to shareholders.

## **8. ADDITIONS TO INVESTMENT PROPERTIES, PROPERTY, PLANT AND EQUIPMENT AND PROPERTIES UNDER DEVELOPMENT FOR SALE**

### **Investment properties**

All the Group's property interests held under operating leases to earn rentals for capital appreciation purposes are measured using the fair value model and classified and accounted for as investment properties.

During the Period, the Group acquired investment properties for a cash consideration of HK\$2,022,809,000 (2012: HK\$1,018,704,000).

The fair value of the Emperor E Hotel's Macau hotel properties as at 30 September 2013 have been arrived at on the basis of a valuation carried out that date by Memfus Wong Surveyors Limited, an independent firm of qualified professional property valuers not connected with the Group. The fair value of the Group's remaining investment properties have been evaluated by an employee of the Group who is a qualified professional surveyor.

For completed investment properties, the valuations have been arrived at with reference to market evidence of recent transaction prices for similar properties and rental income using the applicable market yields for the respective locations and types of properties.

For investment properties under development, the valuations have been arrived at assuming that the investment properties will be completed in accordance with the development proposals and the relevant approvals for the proposals have been obtained. The valuations include key factors such as the market values of the completed investment properties, which are estimated with reference to recent sales evidence of similar properties in the nearest locality as available in the relevant market with adjustments made by the valuers to account for differences in the locations and other factors specific to determine the potential sales proceeds, and deducting the development costs and required profit margins from the investment properties which are derived from the interpretation of prevailing investor requirements or expectations at the valuation dates.

The resulting increase in fair value of investment properties of approximately HK\$800,200,000 has been recognised directly in profit or loss for the six months ended 30 September 2013 (2012: HK\$2,538,863,000)

### **Property, plant and equipment and properties under development for sale**

During the Period, the Group acquired property, plant and equipment and properties under development for sale amounting to approximately HK\$102,590,000 and HK\$58,290,000 (2012: HK\$126,297,000 and HK\$417,985,000) respectively.

## 9. TRADE AND OTHER RECEIVABLES

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

	As at	
	30 September 2013 (unaudited) HK\$'000	31 March 2013 (audited) HK\$'000
0 – 30 days	148,477	200,427
31 – 90 days	46,397	5,115
91 – 180 days	–	5,152
Over 180 days	13,180	19,757
	<hr/>	<hr/>
	208,054	230,451
Chips on hand	82,932	88,331
Other receivables	228,716	313,383
Deposits and prepayments	58,434	45,267
	<hr/>	<hr/>
	<b>578,136</b>	<b>677,432</b>
	<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 assess 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 other receivables are amounts due from related companies of HK\$15,774,000 (as at 31 March 2013: HK\$23,936,000). 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.

## 10. 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 2013 (unaudited) <i>HK\$'000</i>	31 March 2013 (audited) <i>HK\$'000</i>
0 – 90 days	46,851	59,116
91 – 180 days	62	485
Over 180 days	57	67
	<hr/>	<hr/>
	46,970	59,668
Construction payables and accruals	594,457	567,732
Other payables and accruals	201,911	220,212
Rental deposits received	180,271	168,872
Deposits received from pre-sale of properties	–	4,584
	<hr/>	<hr/>
	<b>1,023,609</b>	<b>1,021,068</b>
	<hr/> <hr/>	<hr/> <hr/>

## 11. ACQUISITION OF SUBSIDIARY

In July 2013, a wholly-owned subsidiary of the Group entered into a sale and purchase agreement with Wing Hang Bank, Limited, an independent third party, to acquire the entire issued share capital of Honfirst Land Limited (“Honfirst”) at a consideration of approximately HK\$1,588,000,000. Honfirst is engaged in property investment. The major asset of Honfirst is an investment property located at No. 60 Gloucester Road, Wanchai, Hong Kong. The transaction was completed on 30 September 2013 and the Group recorded the acquisition of Honfirst as acquisition of investment property.

## MANAGEMENT DISCUSSION AND ANALYSIS

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

### FINANCIAL REVIEW

#### Overall Review

During the Period, the Group reported revenue of HK\$1,484.8 million (2012: HK\$1,633.7 million). Driven by solid revenue growth from *Grand Emperor Hotel* in Macau, the hospitality segment achieved 20.7% growth in revenue to HK\$1,118.1 million (2012: HK\$926.3 million), accounting for 75.3% (2012: 56.7%) of the total revenue. Rental income from investment properties slightly decreased by 1.8% to HK\$306.9 million (2012: HK\$312.5 million), taking up 20.7% (2012: 19.1%) of the total revenue. Such decrease was managed to be minimal by taking the advantages of the stable rental increment from its quality investment properties, although some of the Group's investment properties were pending for transformation during the Period to create better potential return in the near future. Since majority of the sales proceeds from residential units had been recognised in the last financial year, revenue from property development during the Period was HK\$59.8 million (2012: HK\$394.9 million), accounting for 4.0% (2012: 24.2%) of the total revenue.

Gross profit was HK\$1,161.7 million (2012: HK\$1,133.6 million), up by 2.5% over the same period last year. Revaluation gain on properties during the Period decreased to HK\$800.2 million (2012: HK\$2,538.9 million). Attributable to its premium investment properties with a strong focus on high-end street level retail spaces, the Group is more resilient to the general property market trend in Hong Kong. Riding on the Group's diversified business lines, the total segment profit excluding the revaluation gain on properties slightly decreased by 3.0% to HK\$753.5 million (2012: HK\$776.7 million), despite the significant decrease of contribution from the sale of residential units.

Basic and diluted earnings per share were HK\$0.29 (2012: HK\$0.74) and HK\$0.29 (2012: HK\$0.74) respectively. The Board is pleased to declare an interim dividend of HK\$0.055 per share (2012: HK\$0.053 per share).

#### Liquidity And Financial Resources

The Group owned key property portfolio of over 5 million square feet. As at 30 September 2013, the Group's net asset value and net asset value per share amounted to HK\$24,370.2 million (31 March 2013: HK\$23,348.4 million) and HK\$6.65 per share (31 March 2013: HK\$6.37 per share) respectively.

The Group has cash, bank balances and bank deposits amounted to HK\$2,726.7 million as at 30 September 2013 (31 March 2013: HK\$2,332.5 million). The total external borrowings (excluding payables) amounted to approximately HK\$11,911.1 million (31 March 2013: HK\$10,177.3 million) and the Group maintained a debt to total asset ratio of 29.1% (31 March 2013: 26.9%) (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 their interest rates followed market rates. The Group's bank balances and cash were denominated in Hong Kong dollars, Renminbi ("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 98% 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, No. 81 Nathan Road, Shop C, Ground Floor, Nos. 35-37 Haiphong Road* and *Shop B, Ground Floor, No. 25-29 Hankow Road* in Tsim Sha Tsui, shopping malls 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 completed the acquisition of *No. 60 Gloucester Road* in Wanchai. Since it is located at one of the highest traffic commercial districts of Hong Kong, such acquisition can further widen the Group's investment properties portfolio, hence increasing the rental revenue base.

At present, *Russell Street*, Causeway Bay, is ranked as the most valuable shopping street in the world, in terms of rental price per square feet. The Group has the largest coverage at the street-level shops at Russell Street with promising pedestrian traffic, resulting in a notable surge in rental growth.



*The Pulse* is a multi-functional beach-front shopping complex with a gross area of approximately 167,000 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 under the pre-marketing and pre-leasing stage and the final stage of internal decoration is about to finish soon. It is pending to be launched in 2014 officially.

#### *Macau*

In Macau, the demolition work at *Nos. 71-75 Avenida do Infante D. Henrique & Nos. 514-540 Avenida da 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 a prime 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 redevelopment completion in 2014.

#### *The PRC*

In the PRC, foundation and basement excavation work of the site along *Chang'an Avenue East* in Beijing was in progress during the Period. It is planned to be developed into a Grade-A office tower with a total gross area of approximately 1,000,000 square feet. The development will also include multi-storey retail podium, entertainment hot spots and parking facilities, which will become another landmark building along this prominent street of the capital city in the PRC in 2016.

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 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**

The marketing campaigns and promotion activities towards the remaining residential units at *Harbour One, 18 Upper East, The Java and The Prince Place* were carried on during the Period.

Other projects are in good progress. The site located at *Nos. 179-180 Connaught Road West & No. 345-345A Des Voeux Road West*, Hong Kong, is planned to be redeveloped into a luxury composite retail and residential building with a panoramic view of the Victoria Harbour with a total floor area amounting to approximately 185,000 square feet. The construction work has been going ahead as planned during the Period. The superstructure is expected to be completed in 2014, followed by pre-sale to the market. The entire project is expected to be completed in 2015.

Another site located at *Tuen Mun Town Lot No. 436, Kwun Fat Street, Siu Lam*, Tuen Mun, with a total floor area of approximately 39,000 square feet, will be developed into 14 low-rise detached or semi-detached houses. During the Period, site formation was in progress as planned. The entire project is expected to be completed 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 foundation 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 in progress during the Period. It will be built as a 29-storey hotel with about 300 rooms with leisure, dining and parking facilities with target completion in 2016. Meanwhile, the construction work of the site located *Nos. 54-60 Portland Street*, Kowloon, with a gross floor area of approximately 48,000 square feet, continued during the Period. It will be built as a 30-storey hotel with about 200 rooms, which is expected to commence its business in 2015.

### **OUTLOOK**

The majority of the Group's investment properties are at the prime locations, with occupancy rate as high as 98%. Supported by the favourable consumption sentiment and overwhelming market demand at the key tourist areas, the Group believes that the growth of rental revenue will maintain solid and such rental income will continue to be the key revenue growth driver in the long-run. The upcoming of the retail complex "*The Pulse*", the grand shopping mall located at *Avenida do Infante D. Henrique*, Macau and the completion of recent acquisition of the office tower located at *60 Gloucester Road*, Wanchai will further enhance its leading position in the investment property market.

The Group is building a steady development projects pipeline for providing long-term contribution on the sale of residential units. Looking ahead, the Group will accelerate its development plan in the forthcoming years by utilising the existing land bank and acquiring new land reserve. Although the residential property market will continue to be impacted by macro-economic factors and local housing policies, the Group is confident towards its property development portfolio because of its prime location and luxury residential positioning.

The Group continues to be cautious in seeking investment opportunities to enhance shareholders' return. With its management execution strength and market insight, 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\$266.8 million during the Period (2012: HK\$229.4 million). The number of staff was 1,577 as at the end of the Period (2012: 1,540). All employees are under remuneration policy of fixed monthly salary with discretionary bonus. Staff benefits include contributions to retirement benefit scheme, medical allowances and other fringe benefits.

To provide incentives or rewards to staff, the Company adopted a share option scheme on 9 September 2003 (the "Old Share Option Scheme"). The Old Share Option Scheme lapsed automatically during the Period upon the expiry of the 10-year period. During the Period, the Company adopted a new share option scheme on 15 August 2013 in view of the expiration of the Old Share Option Scheme. Other relevant details of both schemes will be set out in the section headed "Share Options" of the interim report of the Company.

## **ASSETS PLEDGED**

As at 30 September 2013, assets with carrying value of HK\$30,934.4 million (2012: 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\$0.055 per share ("Interim Dividend") for the financial year ending 31 March 2014 (2012/2013: HK\$0.053 per share) amounting to approximately HK\$201.7 million (2012/2013: HK\$194.3 million). The Interim Dividend will be payable on 20 December 2013 (Friday) to shareholders whose names appear on the register of members of the Company on 13 December 2013 (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 12 December 2013 (Thursday) to 13 December 2013 (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 11 December 2013 (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.EmperorInt.com>). 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, 22 November 2013

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. Liu Hing Hung Ms. Cheng Ka Yu Mr. Wong Tak Ming, Gary