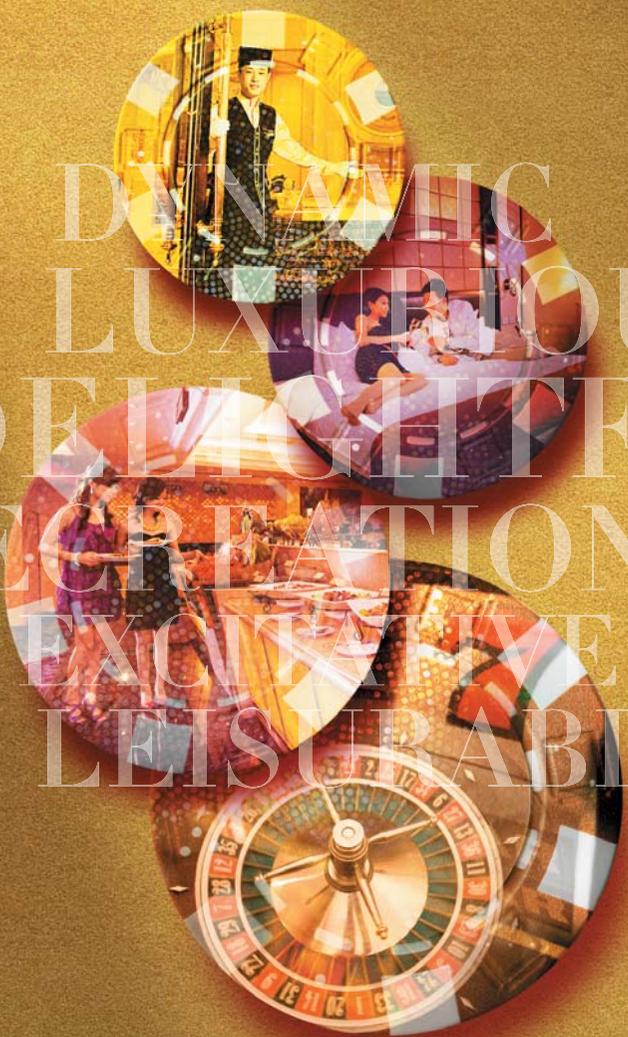




英皇娛樂酒店有限公司
Emperor Entertainment Hotel Limited

Incorporated in Bermuda with limited liability (Stock Code: 296)



DYNAMIC
LUXURIOUS
DELICIOUS
RECREATIONAL
EXCITING
LEISURABLE

INTERIM REPORT 2012/2013

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FINANCIAL HIGHLIGHTS

	Six months ended 30 September		Change
	2012 (Unaudited) HK\$'000	2011 (Unaudited) HK\$'000	
Revenue	905,213	805,859	12.3%
Gross profit	681,665	607,156	12.3%
EBITDA:			
Before non-controlling interests	421,863	334,873	26.0%
After non-controlling interests	278,906	223,562	24.8%
EBITDA margin	47%	42%	5.0% pts
Gain on fair value change in investment properties	47,700	34,900	36.7%
Profit for the period attributable to owners of the Company	231,772	183,258	26.5%
Earnings per share			
Basic and diluted	HK\$0.18	HK\$0.14	28.6%

MANAGEMENT DISCUSSION AND ANALYSIS

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

MARKET REVIEW

During the six months ended 30 September 2012 (the “Period”), Macau’s gaming revenue increased by a moderate growth of 9.6% to MOP149,524 million, according to Macau’s Gaming Inspection and Coordination Bureau. Meanwhile, data published by the Statistics and Census Service of the Macau Government reported that the number of visitor arrivals to Macau reached 13.9 million, representing a slight decrease of 2.2% over the same period last year. Macau has been continuing to be a favourable travel destination for mainland visitors with the number of visitors from the mainland reached 8.2 million during the Period, representing 59.1% (2011: 56.7%) of total visitor arrivals.

FINANCIAL REVIEW

Overall Review

Despite the softened market gaming revenue growth (9.6%) during the Period, the Group outperformed the market and recorded revenue of HK\$905.2 million (2011: HK\$805.9 million), representing an increase of 12.3%. This satisfactory performance was attributable to the Group’s effective management in customer segmentation with strategic focus on premium mass market. The Group’s earnings before interest, tax, depreciation and amortisation (“EBITDA”) and after non-controlling interests amounted to HK\$278.9 million (2011: HK\$223.6 million), representing a growth of 24.8%. As a result of the Group’s continuous efforts on utilising gaming spaces and increasing operational efficiencies, the EBITDA margin further climbed to 47% (2011: 42%). Profit for the Period attributable to the owners of the Company increased by 26.5% to HK\$231.8 million (2011: HK\$183.3 million). Basic earnings per share was HK\$0.18 (2011: HK\$0.14). The board of directors of the Company (the “Board” or “Directors”) has resolved to declare an interim dividend of HK\$0.053 (2011: HK\$0.043) per share.

Liquidity and Financial Resources

In the Period, the Group mainly funded its operations and capital expenditure through its internally generated cash flow from operations. As at 30 September 2012, advances from non-controlling interests of a subsidiary of the Company were HK\$220.4 million (31 March 2012: HK\$230.2 million), which was denominated in Hong Kong dollars, unsecured, interest-free and repayable only when the subsidiary has surplus fund. The Group had no bank borrowings with low gearing ratio, optimising its financial position and minimising its exposure to interest rate risk.

The Group’s current assets and current liabilities as at 30 September 2012 were HK\$2,046.2 million and HK\$691.9 million (31 March 2012: HK\$1,736.3 million and HK\$594.6 million) respectively. The gearing ratio of the Group (expressed as a percentage of total borrowings over total assets) as at 30 September 2012 was further decreased to 5.4% (31 March 2012: 6.3%).

FINANCIAL REVIEW (Continued)

Liquidity and Financial Resources (Continued)

Save as disclosed above and trade and other payables and accrued charges, the Group had no other external borrowings. During the Period, the Group was able to maintain its strong and healthy financial position as supported by strong cash inflow. Aggregate of bank balances and cash on hand and short-term bank deposits of the Group as at 30 September 2012 amounted to HK\$1,723.5 million (31 March 2012: HK\$1,400.6 million), which were mainly denominated in Hong Kong dollars and Macau Pataca. With the borrowings, bank balances and cash on hand and short-term bank deposits denominated in Hong Kong dollars and Macau Pataca, the Group did not experience any significant exposure to foreign exchange rate fluctuation during the Period.

Pledge of Assets

As at 30 September 2012, assets with carrying values of approximately HK\$1.5 billion (31 March 2012: HK\$1.5 billion) were pledged to a bank as security for unutilised banking facilities available to the Group. In addition, the Group pledged a bank deposit of HK\$0.3 million (31 March 2012: HK\$0.3 million) to a bank as security for use of ferry ticket equipment granted by a third party to the Group.

Contingent Liability

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

BUSINESS REVIEW

The Group's flagship project, Grand Emperor Hotel in Macau (the "Hotel") has over 130,000 square feet of gaming space spreading over six floors offering slot machines as well as gaming tables in gaming concourse and VIP room. During the Period, the Group had continued to enhance the mix of premium mass segment to capitalize on the growing middle class market with high disposable income. The Group had once again demonstrated its capability to enhance table yields and had achieved record-high average win per table per day in gaming concourse despite uncertain macro environment.

Gaming Revenue

The Group's casino is operated under the gaming licence held by Sociedade de Jogos de Macau, S.A.. The gaming revenue for the Period increased by 12.3% to HK\$823.1 million (2011: HK\$733.1 million), accounting for 90.9% of the Group's total revenue.

Gaming Concourse

Supported by evolving middle class mainland visitors, premium mass market continued to grow and the gross win in gaming concourse achieved 22.0% growth to HK\$1,135.0 million (2011: HK\$930.0 million). Segmental revenue increased by 21.8% to HK\$630.2 million (2011: HK\$517.5 million), accounting for 69.6% of the Group's total revenue. During the Period, the Group had allocated more gaming spaces in gaming concourse to fully capture the potential from premium mass customers. The number of tables in the gaming concourse was 65 tables (2011: 63 tables). Average win reached a record high of approximately HK\$97,500 (2011: HK\$83,000) per table per day.

BUSINESS REVIEW (Continued)

Gaming Revenue (Continued)

VIP Room

The Group self-managed a VIP room with a total of 12 tables (2011: 14 tables) with the rolling amount of HK\$9.0 billion (2011: HK\$11.7 billion). Segmental revenue was HK\$168.4 million (2011: HK\$189.0 million), accounting for 18.6% of the Group's total revenue. Average win was approximately HK\$154,000 (2011: HK\$130,000) per table per day.

Slot Machines

The segment recorded a gross win of HK\$55.3 million (2011: HK\$59.6 million) with the capacity of 282 slot seats (2011: 314 slot seats). Segmental revenue was HK\$24.5 million (2011: HK\$26.6 million), accounting for 2.7% the Group's total revenue. Average win was approximately HK\$1,090 (2011: HK\$1,050) per seat per day.

Hotel Revenue

During the Period, this segment has recorded a revenue of HK\$82.1 million (2011: HK\$72.8 million), accounting for 9.1% of the Group's total revenue. The Hotel has a capacity of 307 guest rooms. During the Period, the Hotel reported an average daily rate of HK\$1,138 (2011: HK\$1,052) and a high occupancy rate of 90% (2011: 89%). Room and other revenue amounted to HK\$23.0 million (2011: HK\$23.1 million). Revenue from food and beverage was HK\$44.5 million (2011: HK\$37.0 million), while rental revenue from sauna, night club and retail space was HK\$14.6 million (2011: HK\$12.7 million).

OUTLOOK

The Group expects premium mass segment will be the key growth driver for the industry in the coming years. Leveraging the prestigious reputation of "Emperor" among Chinese communities, the Group is confident to attract and retain the target customers through effective marketing initiatives and delivery of high-quality services. The Group will also strive to improve profitability and overall margin performance by enhancing operating efficiencies and optimising gaming space for maximising shareholders' value.

EMPLOYEES AND REMUNERATION POLICY

As at 30 September 2012, the Group's number of employee was 1,133 (31 March 2012: 1,094). Total staff costs including directors' remuneration and the other staff costs for the Period were HK\$169.8 million (2011: HK\$147.8 million). Employees' remuneration was determined in accordance with individual's responsibility, performance and experience. Staff benefits include contribution to retirement benefit scheme, medical insurance and other fringe benefits.

To provide incentives or rewards to the staff, the Company adopted a share option scheme on 2 September 2002 (the "Scheme"). The Scheme has lapsed automatically on 1 September 2012 upon expiry of the 10-year period. During the Period, the Company did not grant any option under the Scheme and the outstanding share options as at the end of the Period was 10,000,000 share options which were granted to certain directors of the Company in August 2005 and can be exercised before 10 August 2015.

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\$0.043 per share) amounting to approximately HK\$68.5 million (2011/2012: HK\$55.6 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).

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 September 2012

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

	Notes	Six months ended 30 September	
		2012 (Unaudited) HK\$'000	2011 (Unaudited) HK\$'000
Revenue	3	905,213	805,859
Cost of sales		(16,659)	(15,855)
Cost of hotel and gaming operations		(206,889)	(182,848)
Gross profit		681,665	607,156
Other income		12,785	6,201
Gain on fair value change in investment properties		47,700	34,900
Selling and marketing expenses		(221,271)	(235,183)
Administrative expenses		(93,632)	(84,748)
Finance costs		(5,816)	(6,491)
Profit before taxation	4&5	421,431	321,835
Taxation	6	(50,016)	(38,126)
Profit for the period		371,415	283,709
Other comprehensive income:			
Exchange differences arising on translation of foreign operations		–	3
Total comprehensive income for the period		371,415	283,712

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (Continued)

		Six months ended 30 September	
		2012 (Unaudited) HK\$'000	2011 (Unaudited) HK\$'000
	Note		
Profit for the period attributable to:			
Owners of the Company		231,772	183,258
Non-controlling interests		139,643	100,451
		371,415	283,709
Total comprehensive income attributable to:			
Owners of the Company		231,772	183,261
Non-controlling interests		139,643	100,451
		371,415	283,712
Earning per share	8		
Basic and diluted		HK\$0.18	HK\$0.14

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2012

	Notes	As at	
		30 September 2012 (Unaudited) HK\$'000	31 March 2012 (Audited) HK\$'000
Non-current assets			
Investment properties	9	438,700	391,000
Property, plant and equipment	9	1,219,763	1,167,907
Prepaid lease payments	9	229,364	232,587
Deposits paid for acquisition of property, plant and equipment		5,393	14,848
Goodwill		110,960	110,960
		2,004,180	1,917,302
Current assets			
Inventories, at cost		13,211	12,345
Trade and other receivables	10	302,711	316,669
Prepaid lease payments	9	6,446	6,446
Pledged bank deposit		300	300
Short-term bank deposits		239,892	501,923
Bank balances and cash		1,483,626	898,666
		2,046,186	1,736,349
Current liabilities			
Trade and other payables	11	223,172	158,397
Amounts due to fellow subsidiaries		1,901	3,649
Amounts due to non-controlling interests of a subsidiary		220,431	230,221
Taxation payable		246,439	202,315
		691,943	594,582
Net current assets		1,354,243	1,141,767
Total assets less current liabilities		3,358,423	3,059,069

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

	As at 30 September 2012 (Unaudited) HK\$'000	31 March 2012 (Audited) HK\$'000
Non-current liability		
Deferred taxation	108,149	102,263
	3,250,274	2,956,806
Capital and reserves		
Share capital	129	129
Reserves	2,260,670	2,106,451
Equity attributable to owners of the Company	2,260,799	2,106,580
Non-controlling interests	989,475	850,226
	3,250,274	2,956,806

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the six months ended 30 September 2012

	Attributable to owners of the Company										
	Share capital	Share premium	Capital redemption reserve	Property revaluation reserve	Share option reserve	Legal reserve	Translation reserve	Accumulated profits	Total	Non-controlling interests	Total equity
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 April 2011	129	410,802	668	8,478	3,964	287	3	1,336,989	1,761,320	565,051	2,326,371
Exchange difference arising on translation of foreign operations recognised directly in equity	-	-	-	-	-	-	3	-	3	-	3
Profit for the period	-	-	-	-	-	-	-	183,258	183,258	100,451	283,709
Total comprehensive income for the period	-	-	-	-	-	-	3	183,258	183,261	100,451	283,712
Deemed capital contribution arising from changes in cash flow estimates on amounts due to non-controlling interests of a subsidiary	-	-	-	-	-	-	-	-	-	1,978	1,978
2011 final dividend paid in cash	-	-	-	-	-	-	-	(64,627)	(64,627)	-	(64,627)
At 30 September 2011	129	410,802	668	8,478	3,964	287	6	1,455,620	1,879,954	667,480	2,547,434
At 1 April 2012	129	410,802	668	8,478	3,964	287	-	1,682,252	2,106,580	850,226	2,956,806
Profit and total comprehensive income for the period	-	-	-	-	-	-	-	231,772	231,772	139,643	371,415
Reversal of deemed capital contribution arising from changes in cash flow estimates on amounts due to non-controlling interests of a subsidiary	-	-	-	-	-	-	-	-	-	(394)	(394)
2012 final dividend paid in cash	-	-	-	-	-	-	-	(77,553)	(77,553)	-	(77,553)
At 30 September 2012	129	410,802	668	8,478	3,964	287	-	1,836,471	2,260,799	989,475	3,250,274

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2012

	Six months ended 30 September	
	2012 (Unaudited) HK\$'000	2011 (Unaudited) HK\$'000
Net cash from operating activities	476,607	353,182
Net cash from (used in) investing activities	201,906	(88,916)
Net cash used in financing activities	(93,553)	(80,627)
Net increase in cash and cash equivalents	584,960	183,639
Cash and cash equivalents at the beginning of the period	898,666	856,163
Effect of foreign exchange rate changes	-	(3)
Cash and cash equivalents at the end of the period Bank balances and cash	1,483,626	1,039,799

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2012

1. Basis of Preparation

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

2. Principal Accounting Policies

The unaudited condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments which were adjusted to fair value at initial recognition and investment properties which are measured at fair values. Historical cost is generally based on the fair value of the consideration given in exchange for goods.

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 2012, except as described below.

In the Period, the Group has adopted certain new and revised Hong Kong Financial Reporting Standards (“HKFRSs”), amendments and interpretations (collectively the “New and Revised HKFRSs”), issued by the HKICPA that are effective for accounting periods beginning on or after 1 April 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 has not applied any new standards or interpretations that have been issued but are not yet effective for the current accounting period.

3. Revenue

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

	Six months ended 30 September	
	2012 (Unaudited) HK\$'000	2011 (Unaudited) HK\$'000
Service income from gaming operation in VIP rooms	168,380	188,981
Service income from gaming operation in mass market halls	630,239	517,484
Service income from gaming operation in slot machine hall	24,521	26,578
Hotel room income	20,776	21,104
Food and beverage sales	44,457	37,059
Rental income from investment properties	14,601	12,691
Others	2,239	1,962
	905,213	805,859

4. Segment Information

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

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

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

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

4. Segment Information (Continued)

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

Inter-segment revenue are charged at prevailing market rate.

Information regarding the above segments is reported as below.

Segment revenue and results

For the six months ended 30 September 2012

	Gaming operation (Unaudited) HK\$'000	Hotel operation (Unaudited) HK\$'000	Total (Unaudited) HK\$'000	Elimination (Unaudited) HK\$'000	Consolidated (Unaudited) HK\$'000
SEGMENT REVENUE					
External revenue	823,140	82,073	905,213	-	905,213
Inter-segment revenue	-	1,411	1,411	(1,411)	-
Total	823,140	83,484	906,624	(1,411)	905,213
Segment result based on the Adjusted EBITDA	411,484	39,470	450,954		450,954
Bank interest income					10,982
Depreciation of property, plant and equipment					(50,075)
Release of prepaid lease payments					(3,223)
Gain on fair value change in investment properties					47,700
Imputed interest expense on amounts due to non-controlling interests of a subsidiary					(5,816)
Unallocated corporate expenses					(29,091)
Profit before taxation					421,431

4. Segment Information (Continued)

Segment revenue and results (Continued)

For the six months ended 30 September 2011

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

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

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

5. Profit Before Taxation

	Six months ended 30 September	
	2012 (Unaudited) HK\$'000	2011 (Unaudited) HK\$'000
Profit before taxation has been arrived at after charging:		
Commission expenses in gaming operation (included in selling and marketing expenses)	199,783	217,426
Depreciation of property, plant and equipment	50,075	42,328
Release of prepaid lease payments	3,223	3,223
and after crediting:		
Bank interest income	10,982	4,104

6. Taxation

	Six months ended 30 September	
	2012 (Unaudited) HK\$'000	2011 (Unaudited) HK\$'000
The charge comprises:		
Macau Complimentary Income Tax	44,130	31,542
Deferred taxation	5,886	6,584
	50,016	38,126

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

No provision for Hong Kong Profits Tax has been made as there was no estimated assessable profits for both periods.

7. Dividend

A dividend of HK\$0.06 per share with an aggregate amount of approximately HK\$77,553,000 was paid to the shareholders of the Company during the Period as the final dividend of 2011/2012. A dividend of HK\$0.05 per share with an aggregate amount of approximately HK\$64,627,000 was paid to the shareholders of the Company during the corresponding period in 2011 as the final dividend of 2010/2011.

The Board has resolved to declare an interim dividend of HK\$0.053 per share for the financial year ending 31 March 2013 (2011/2012: HK\$0.043 per share) amounting to approximately HK\$68,505,000 (2011/2012: HK\$55,579,000).

8. Earnings Per Share

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

	Six months ended 30 September	
	2012 (Unaudited) HK\$'000	2011 (Unaudited) HK\$'000
Earnings		
Earnings (profit for the period attributable to the owners of the Company) for the purpose of basic and diluted earnings per share	231,772	183,258
	Six months ended 30 September	
	2012 (Unaudited)	2011 (Unaudited)
Number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share	1,292,545,983	1,292,545,983

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

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

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

	Investment properties (Unaudited) HK\$'000	Property, plant and equipment (Unaudited) HK\$'000	Prepaid lease payments (Unaudited) HK\$'000
FAIR VALUE/CARRYING AMOUNTS			
At 1 April 2012	391,000	1,167,907	239,033
Additions	-	101,945	-
Disposals	-	(14)	-
Depreciation	-	(50,075)	-
Release of prepaid lease payments	-	-	(3,223)
Increase in fair value	47,700	-	-
At 30 September 2012	438,700	1,219,763	235,810

10. Trade and Other Receivables

	As at	
	30 September	31 March
	2012	2012
	(Unaudited)	(Audited)
	HK\$'000	HK\$'000
Trade receivables	227,483	277,672
Less: Allowance for bad and doubtful debts	(51,075)	(62,769)
	176,408	214,903
Chips on hand	113,786	89,315
Other receivables and prepayments	12,517	12,451
	302,711	316,669

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

	As at	
	30 September	31 March
	2012	2012
	(Unaudited)	(Audited)
	HK\$'000	HK\$'000
0 – 30 days	106,962	153,020
31 – 60 days	43,546	15,640
61 – 90 days	900	–
91 – 180 days	4,810	3,600
Over 180 days	20,190	42,643
	176,408	214,903

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

11. Trade and Other Payables

	As at	
	30 September	31 March
	2012	2012
	(Unaudited)	(Audited)
	HK\$'000	HK\$'000
Trade payables	15,430	13,940
Construction payables and accruals	31,345	10,397
Other payables and accruals	161,397	119,060
Short-term advance	15,000	15,000
	223,172	158,397

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

	As at	
	30 September	31 March
	2012	2012
	(Unaudited)	(Audited)
	HK\$'000	HK\$'000
0 – 30 days	10,424	7,009
31 – 60 days	4,424	6,606
61 – 90 days	319	198
91 – 180 days	218	92
Over 180 days	45	35
	15,430	13,940

12. Commitments

	As at	
	30 September 2012 (Unaudited) HK\$'000	31 March 2012 (Audited) HK\$'000
Authorised but not contracted for in respect of property, plant and equipment	53,254	82,279
Contracted for but not provided in the consolidated financial statements, net of deposits paid, in respect of property, plant and equipment	13,415	39,275
	66,669	121,554

13. Pledge of Assets

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

	As at	
	30 September 2012 (Unaudited) HK\$'000	31 March 2012 (Audited) HK\$'000
Hotel property	821,106	833,453
Investment properties	438,700	391,000
Prepaid lease payments	235,810	239,033
	1,495,616	1,463,486

The Group also pledged a bank deposit of HK\$300,000 (31 March 2012: HK\$300,000) to a bank as security for use of ferry ticket equipment granted by a third party.

14. Related Party Transactions

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

	Six months ended 30 September	
	2012 (Unaudited) HK\$'000	2011 (Unaudited) HK\$'000
Advertising expenses to related companies	224	233
Commission to Dr. Yeung Sau Shing, Albert ("Dr. Albert Yeung"), a deemed substantial shareholder of the Company, in the capacity of a patron of the Group's VIP rooms	476	62
Professional fee expense to a related company	210	180
Purchase of property, plant and equipment and merchandising goods from related companies	179	76
Reimbursement of administrative expenses paid by fellow subsidiaries	3,701	3,570
Rental income from a related company	2,948	2,103

Note: Other than described above, the related parties are controlled by a Director of the Company or Albert Yeung Holdings Limited (formerly known as Million Way Holdings Limited) ("AY Holdings") which is held by STC International Limited ("STC International") being the trustee of The Albert Yeung Discretionary Trust ("AY Trust") (Dr. Albert Yeung is the founder of the AY Trust and a deemed substantial shareholder of the Company).

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

	Six months ended 30 September	
	2012 (Unaudited) HK\$'000	2011 (Unaudited) HK\$'000
Fees	420	350

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

As at 30 September 2012, the following Directors and chief executives of the Company had, or were taken or deemed to have interests and short positions in the following shares, underlying shares and debentures of the Company or its associated corporation(s) (within the meaning of Part XV of the Securities and Futures Ordinance (“SFO”)) as recorded in the register maintained by the Company pursuant to Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) of the Listing Rules:

(A) LONG POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

(i) Ordinary shares of HK\$0.0001 each (the “Shares”) of the Company

Name of Director	Capacity/Nature of interests	Number of issued Shares held	Approximate % holding
Ms. Luk Siu Man, Semon (“Ms. Semon Luk”)	Interest of spouse	807,362,845 (Note 1)	62.46%

(ii) Share options

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

(A) LONG POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY (Continued)

Notes:

1. These 807,362,845 Shares were held by Emperor Entertainment Hotel Holdings Limited (formerly known as Worthly Strong Investment Limited) ("Emperor EH Holdings"), an indirect wholly-owned subsidiary of Emperor International Holdings Limited ("Emperor International"). Emperor International is a company with its shares listed in Hong Kong and as at 30 September 2012, approximately 74.93% of its issued share capital was held by Emperor International Group Holdings Limited (formerly known as Charron Holdings Limited) ("Emperor International Group Holdings"). The entire issued share capital of Emperor International Group Holdings was wholly-owned by AY Holdings which was held by STC International, being the trustee of the AY Trust, a discretionary trust set up by Dr. Albert Yeung who is deemed to have interests in the said Shares. By virtue of being the spouse of Dr. Albert Yeung, Ms. Semon Luk also had deemed interests in the same Shares.
2. The share options were granted to the Directors under the Scheme.

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

(i) Ordinary shares

Name of Director	Name of associated corporation	Capacity/Nature of interests	Number of issued ordinary shares held	Approximate % holding
Ms. Semon Luk	Emperor International	Interest of spouse	2,747,610,489 (Note 1)	74.93%
Ms. Semon Luk	Emperor Watch & Jewellery Limited ("Emperor W&J")	Interest of spouse	3,609,550,000 (Note 2)	53.73%
Ms. Semon Luk	Emperor Capital Group Limited ("Emperor Capital Group")	Interest of spouse	1,660,326,907 (Note 3)	63.92%
Ms. Semon Luk	New Media Group Holdings Limited ("New Media Group")	Interest of spouse	453,430,000 (Note 4)	52.48%

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

Notes:

1. Emperor International is a company with its shares listed in Hong Kong. These shares of Emperor International were held by Emperor International Group Holdings. Emperor International Group Holdings was wholly-owned by AY Holdings which was in turn held by STC International, being the trustee of the AY Trust. Dr. Albert Yeung, as founder of the AY Trust, had deemed interests in the above shares of Emperor International. By virtue of being the spouse of Dr. Albert Yeung, Ms. Semon Luk, a Director of the Company, also had deemed interests in the same shares.
2. Emperor W&J is a company with its shares listed in Hong Kong. These shares of Emperor W&J were held by Emperor Watch & Jewellery Group Holdings Limited (formerly known as Allmighty Group Limited) ("Emperor W&J Holdings"). Emperor W&J Holdings was wholly-owned by AY Holdings which was in turn held by STC International, being the trustee of the AY Trust. Dr. Albert Yeung, as founder of the AY Trust, had deemed interests in the above shares of Emperor W&J. By virtue of being the spouse of Dr. Albert Yeung, Ms. Semon Luk, a Director of the Company, also had deemed interests in the same shares.
3. Emperor Capital Group is a company with its shares listed in Hong Kong. These shares of Emperor Capital Group were held by Emperor Capital Group Holdings Limited (formerly known as Win Move Group Limited) ("Emperor Capital Holdings"). Emperor Capital Holdings was wholly-owned by AY Holdings which was in turn held by STC International, being the trustee of the AY Trust. Dr. Albert Yeung, as founder of the AY Trust, had deemed interests in the above shares of Emperor Capital Group. By virtue of being the spouse of Dr. Albert Yeung, Ms. Semon Luk, a Director of the Company, also had deemed interests in the same shares.
4. New Media Group is a company with its shares listed in Hong Kong. These shares of New Media Group were held by New Media Group Investment Limited (formerly known as Velba Limited) ("New Media Investment"). New Media Investment was wholly-owned by AY Holdings which was in turn held by STC International, being the trustee of the AY Trust. Dr. Albert Yeung, as founder of the AY Trust, had deemed interests in the above shares of New Media Group. By virtue of being the spouse of Dr. Albert Yeung, Ms. Semon Luk, a Director of the Company, also had deemed interests in the same shares.

(ii) Share options

Name of Director	Name of associated corporation	Capacity/Nature of interests	Number of underlying shares held	Approximate % holding
Mr. Wong Chi Fai	Emperor International	Beneficial owner	16,154,212	0.44%
Ms. Fan Man Seung, Vanessa	Emperor International	Beneficial owner	16,154,212	0.44%

Note: These were share options granted to Mr. Wong Chi Fai and Ms. Fan Man Seung, Vanessa, also being the directors of Emperor International, under the share option scheme of Emperor International.

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

OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SECURITIES

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

LONG POSITIONS IN SHARES OF THE COMPANY

Name of shareholder	Capacity/Nature of interests	Number of Shares/ underlying Shares held	Approximate % holding
Emperor International	Interest in a controlled corporation	807,362,845	62.46%
Emperor International Group Holdings	Interest in a controlled corporation	807,362,845	62.46%
AY Holdings	Interest in a controlled corporation	807,362,845	62.46%
STC International	Trustee of the AY Trust	807,362,845	62.46%
Dr. Albert Yeung	Founder of the AY Trust	807,362,845	62.46%
Penta Investment Advisers Limited	Investment manager	77,479,000	5.99%

Note: The 807,362,845 Shares were held by Emperor EH Holdings which was indirectly wholly-owned by Emperor International. Emperor International is a company with its shares listed in Hong Kong and was held by Emperor International Group Holdings as to approximately 74.93% as at 30 September 2012. The entire issued share capital of Emperor International Group Holdings was wholly-owned by AY Holdings which was in turn held by STC International, being the trustee of the AY Trust. Dr. Albert Yeung, as the founder of the AY Trust, was deemed to have interest in the said Shares held by Emperor EH Holdings. By virtue of being the spouse of Dr. Albert Yeung, Ms. Semon Luk also had deemed interests in the above Shares which were the same shares as those set out under Section (A)(i) of "Directors' and Chief Executives' Interests and Short Positions in Securities" above.

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

Save as disclosed above, as at 30 September 2012, the Directors or chief executives of the Company were not aware of any other persons or corporation (other than the Directors and chief executives of the Company) who had, or were taken or deemed to have, any interests or short positions in Shares or underlying Shares as recorded in the register required to be kept under Section 336 of the SFO or as otherwise notified to the Company.

SHARE OPTIONS AND OTHER INFORMATION

SHARE OPTIONS

The Scheme adopted by the Company has lapsed automatically on 1 September 2012 upon the expiry of the 10-year period, after which period, no further options will be granted but the provisions of the Scheme shall remain in full force and effect in all other respects.

Pursuant to the Scheme, options complying with the provisions of the Listing Rules which are granted during the duration of the Scheme and remain unexercised immediately prior to the end of the 10-year period shall continue to be exercisable in accordance with their terms of grant within the exercise period for which such options are granted, notwithstanding the expiry of the Scheme.

Details of the outstanding share options are set out below:

Name of grantee	Date of grant	Exercise period	Exercise price (HK\$)	Number of share options outstanding as at 1 April 2012 and 30 September 2012
Director				
Mr. Wong Chi Fai	11 August 2005	11 August 2005 to 10 August 2015	2.2	5,000,000
Ms. Fan Man Seung, Vanessa	11 August 2005	11 August 2005 to 10 August 2015	2.2	5,000,000
				<hr/> 10,000,000 <hr/>

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

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 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.

REVIEW OF INTERIM REPORT

The condensed consolidated financial statements as set out in this interim report have not been audited nor reviewed by the Company's auditor, Deloitte Touche Tohmatsu, but this report has been reviewed by the Audit Committee of the Company, which comprises three Independent Non-executive Directors of the Company.

CHANGES IN INFORMATION OF DIRECTORS

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

Directors' emoluments

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

	HK\$ (per annum)
Executive Directors	150,000 <i>(Note 1)</i>
Independent Non-executive Directors	180,000 <i>(Note 2)</i>

Notes:

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

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

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

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

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

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

Hong Kong, 26 November 2012

As at the date hereof, the Board comprised:

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

This Interim Report (in both English and Chinese versions) is available to any shareholder either in printed form or on the Company's website (<http://www.emp296.com>). In order to protect the environment, the Company highly recommends the shareholders to elect to receive electronic copy of our Corporate Communications. Upon written request, a free printed version of this Interim Report will be sent to shareholders who have elected to receive electronic copies but for any reason have difficulty in receiving or gaining access to this Interim Report through the Company's website. Shareholders may have the right to change their choice of receipt of our future Corporate Communications at any time by reasonable notice in writing to the Company's Hong Kong Branch Share Registrar, Tricor Secretaries Limited, by post at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong or by email at is-enquiries@hk.tricorglobal.com.