

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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

(Incorporated in Bermuda with limited liability)

(Stock Code: 163)

**ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31ST MARCH, 2010**

FINANCIAL HIGHLIGHTS

For the year ended 31st March, 2010

	2010	2009
	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue		
Lease of properties	339,618	292,505
Properties development	423,094	—
Hotel and hotel related operations	687,061	52,674
Others	—	2,991
	<u>—</u>	<u>2,991</u>
Total Revenue	<u>1,449,773</u>	<u>348,170</u>
Segment Profit (Loss)		
Lease of properties	324,719	237,322
Properties development	183,859	(9,999)
Hotel and hotel related operations	195,727	9,129
Others	—	1,341
	<u>—</u>	<u>1,341</u>
Total Segment Profit	<u>704,305</u>	<u>237,793</u>
Revaluation gain (loss) on properties	<u>2,485,828</u>	<u>(1,758,229)</u>
Profit (Loss) for the year attributable to owners of the Company	<u>2,798,005</u>	<u>(1,536,985)</u>
Earnings (loss) per share		
Basic	<u>HK\$1.44</u>	<u>(HK\$0.87)</u>
Diluted	<u>HK\$1.16</u>	<u>(HK\$0.87)</u>

* *For identification purpose only*

RESULTS

The board of directors (the “Board” or the “Directors”) of Emperor International Holdings Limited (the “Company”) announces the audited consolidated results of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31st March, 2010 (“Year”) together with the comparative figures for the corresponding year in 2009 as set out below.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31st March, 2010

		2010	2009
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue		1,449,773	348,170
Cost of sales		(231,348)	—
Cost of hotel and hotel related operations		(238,685)	(28,607)
Direct operating expenses		<u>(15,161)</u>	<u>(16,027)</u>
Gross profit		964,579	303,536
Other income		23,967	10,582
Fair value change in investment properties		2,460,495	(1,586,109)
Reversal (recognition) of impairment losses		25,333	(172,120)
Selling and marketing expenses		(159,995)	(11,690)
Administrative expenses		(180,347)	(117,416)
Write back of allowance for doubtful debts of trade and other receivables, net		416	197
Finance costs		(107,648)	(122,932)
Share of results of associates		184,942	12,621
Discount on acquisition of subsidiaries		102,552	—
Discount on acquisition of additional interest in subsidiaries		<u>20,616</u>	<u>—</u>
Profit (loss) before taxation	4	3,334,910	(1,683,331)
Taxation (charge) credit	5	<u>(410,052)</u>	<u>145,915</u>
Profit (loss) for the Year		<u><u>2,924,858</u></u>	<u><u>(1,537,416)</u></u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (continued)*For the year ended 31st March, 2010*

	<i>Notes</i>	2010 <i>HK\$'000</i>	2009 <i>HK\$'000</i>
Other comprehensive income			
Exchange differences arising on translation of foreign subsidiaries		3,942	31,646
Share of other comprehensive income of an associate			
— Translation difference		152	2,922
— Asset revaluation surplus		—	3,682
Asset revaluation surplus		28,784	—
Effect of change in tax rate		<u>—</u>	<u>455</u>
Other comprehensive income for the Year (net of tax)		<u>32,878</u>	<u>38,705</u>
Total comprehensive income (expense) for the Year		<u>2,957,736</u>	<u>(1,498,711)</u>
Profit (loss) for the year attributable to:			
Owners of the Company		2,798,005	(1,536,985)
Minority interests		<u>126,853</u>	<u>(431)</u>
		<u>2,924,858</u>	<u>(1,537,416)</u>
Total comprehensive income (expense) attributable to:			
Owners of the Company		2,830,464	(1,498,326)
Minority interests		<u>127,272</u>	<u>(385)</u>
		<u>2,957,736</u>	<u>(1,498,711)</u>
Earnings (loss) per share	7		
Basic		<u>HK\$1.44</u>	<u>(HK\$0.87)</u>
Diluted		<u>HK\$1.16</u>	<u>(HK\$0.87)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31st March, 2010

	<i>Notes</i>	2010 <i>HK\$'000</i>	2009 <i>HK\$'000</i>
Non-current assets			
Investment properties		13,332,798	6,180,610
Property, plant and equipment		1,187,133	293,298
Properties under development		—	831,914
Deposits paid for acquisition of investment properties/properties, plant and equipment		60,731	32,830
Prepaid lease payments		598,738	734,067
Interests in associates		142	800,462
Amount due from an associate		2,645	2,645
Deposits in designated bank account for development properties		198,892	220,934
Loans receivable		1,784	1,862
Goodwill		56,683	1,940
Other assets		4,442	4,442
		<u>15,443,988</u>	<u>9,105,004</u>
Current assets			
Inventories		7,343	543
Properties held for sale		18,467	27,055
Properties under development		2,460,641	1,019,476
Prepaid lease payments		13,359	14,550
Trade and other receivables	8	445,226	140,295
Investments in trading securities		1	90
Taxation recoverable		32	10,293
Pledged bank deposits		300	—
Bank balances and cash		892,256	322,761
		<u>3,837,625</u>	<u>1,535,063</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)*At 31st March, 2010*

	<i>Notes</i>	2010 <i>HK\$'000</i>	2009 <i>HK\$'000</i>
Current liabilities			
Trade and other payables	9	695,875	748,905
Amount due to a related company		—	1,880,980
Amount due to an associate		—	3
Amounts due to minority shareholders of subsidiaries		136,532	19,504
Taxation payable		159,053	4,320
Secured bank borrowings			
— due within one year		<u>1,797,350</u>	<u>1,226,529</u>
		<u>2,788,810</u>	<u>3,880,241</u>
Net current assets (liabilities)		<u>1,048,815</u>	<u>(2,345,178)</u>
Total assets less current liabilities		<u>16,492,803</u>	<u>6,759,826</u>
Non-current liabilities			
Amount due to a related company		1,697,876	—
Amount due to minority shareholders of subsidiaries		162,334	—
Secured bank borrowings			
— due after one year		3,433,336	1,794,586
Deferred taxation		<u>679,557</u>	<u>173,274</u>
		<u>5,973,103</u>	<u>1,967,860</u>
		<u>10,519,700</u>	<u>4,791,966</u>
Capital and reserves			
Share capital		29,683	17,752
Reserves		<u>8,968,855</u>	<u>4,774,512</u>
Equity attributable to the owners of the Company		8,998,538	4,792,264
Minority interests		<u>1,521,162</u>	<u>(298)</u>
		<u>10,519,700</u>	<u>4,791,966</u>

NOTES:

1. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with the Hong Kong Financial Reporting Standards (the “HKFRSs”) and Hong Kong Accounting Standards (“HKASs”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared under the historical cost convention except for certain financial instruments and investment properties which are measured at fair values and in accordance with HKFRSs.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current Year, the Group has applied the following new and revised HKFRSs, HKASs, Amendments and Interpretations (“New and Revised HKFRSs”) issued by the HKICPA.

HKAS 1 (Revised 2007)	Presentation of financial statements
HKAS 23 (Revised 2007)	Borrowing costs
HKAS 32 & 1 (Amendments)	Puttable financial instruments and obligations arising on liquidation
HKFRS 1 & HKAS 27 (Amendments)	Cost of an investment in a subsidiary, jointly controlled entity or associate
HKFRS 2 (Amendment)	Vesting conditions and cancellations
HKFRS 7 (Amendment)	Improving disclosures about financial instruments
HKFRS 8	Operating segments
HK (IFRIC*) — INT 9 & HKAS 39 (Amendments)	Embedded derivatives
HK (IFRIC) — INT 13	Customer loyalty programmes
HK (IFRIC) — INT 15	Agreements for the construction of real estate
HK (IFRIC) — INT 16	Hedges of a net investment in a foreign operation
HK (IFRIC) — INT 18	Transfers of assets from customers
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2008, except for the amendment to HKFRS 5 that is effective for annual periods beginning or after 1st July, 2009
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2009 in relation to the amendment to paragraph 80 of HKAS 39

* IFRIC represents the International Financial Reporting Interpretations Committee.

Except as described below, the adoption of the New and Revised HKFRSs has had no material effect on the consolidated financial statements of the Group for the current or prior accounting periods.

New and Revised HKFRSs affecting Presentation and disclosure only

HKAS 1 (Revised 2007) Presentation of financial statements

HKAS 1 (Revised 2007) has introduced terminology changes (including revised titles for the consolidated financial statements) and changes in the format and content of the consolidated financial statements.

HKFRS 8 Operating segments

In the current Year, the Group has adopted HKFRS 8 “Operating segments”. HKFRS 8 requires the presentation of operating segments in a manner consistent with the internal reports that are regularly reviewed by the Group’s chief operating decision maker. HKFRS 8 replaces HKAS 14 “Segment reporting” which required an entity to identify two sets of segments (business and geographical). The adoption of HKFRS 8 has resulted in redesignation of the Group’s reportable segments and segment results (see note 3 for details).

Improving disclosures about financial instruments (Amendments to HKFRS 7 Financial instruments: Disclosures)

The amendments to HKFRS 7 expand the disclosures required in relation to fair value measurements in respect of financial instruments which are measured at fair value. The Group has not provided comparative information for the expanded disclosures in accordance with the transitional provision set out in the amendments.

New and Revised HKFRSs affecting the reported results and/or financial position

Amendments to HKAS 40 Investment property

As part of Improvements to HKFRSs (2008), HKAS 40 has been amended to include within its scope properties under construction or development for future use as investment properties and to require such properties to be measured at fair value (where the fair value model is used and the fair values of the properties are reliably determinable). Prior to 1st April, 2009, the leasehold land and building elements of investment properties under development were accounted for separately. The leasehold land element was accounted for as an operating lease and the building element was carried at cost less accumulated impairment losses, if any. The Group has used the fair value model to account for its investment properties. Property that was being constructed or developed for future use as an investment property was included in properties under development until construction or development was complete, at which time it was reclassified to and subsequently accounted for as an investment property. Any difference between the fair value of the property at that date and its previous carrying amount was recognised in profit or loss.

The Group has applied the amendments to HKAS 40 prospectively from 1st April, 2009 in accordance with the relevant transitional provision. As a result of the application of the amendment, the Group's investment properties under development that include the leasehold land and buildings elements with previous carrying amounts of HK\$277,469,000 and HK\$741,744,000 as at 1st April, 2009 respectively, have been reclassified as investment properties. No fair value gain or loss was arisen upon the application of the amendments to HKAS 40 at 1st April, 2009 as investment properties under development with aggregate carrying amount of HK\$435,000,000 were impaired to fair value less cost to sell as at 31st March, 2009. The remaining carrying amount of HK\$584,213,000 represented investment properties under development located at Repulse Bay and were reclassified at cost at 1st April, 2009 as its fair value cannot be determined reliably. During the year ended 31st March, 2010, fair value gain of HK\$17,162,000 and related deferred tax expense of HK\$4,291,000 have been recognised in the profit or loss. As at 31st March, 2010, the impact has been to decrease prepaid lease payments and property under development by HK\$277,469,000 and HK\$741,744,000 respectively, to increase investment properties by HK\$2,431,138,000, to increase deferred tax liabilities by HK\$17,162,000 and to increase profit for the year and accumulated profits by HK\$12,871,000. As a result of the adoption of the HKAS 40, the basic and diluted earnings per share of the Group increased by HK\$0.01 and HK\$0.01 respectively.

The Group has not early applied the following New and Revised HKFRSs, Amendments or Interpretations that have been issued but are not yet effective.

HKFRSs (Amendments)	Amendment to HKFRS 5 as part of improvements to HKFRSs 2008 ¹
HKFRSs (Amendments)	Improvements to HKFRSs 2009 ²
HKFRSs (Amendments)	Improvements to HKFRSs 2010 ³
HKAS 24 (Revised)	Related party disclosures ⁷
HKAS 27 (Revised)	Consolidated and separate financial statements ¹
HKAS 32 (Amendment)	Classification of right issues ⁵
HKAS 39 (Amendment)	Eligible hedged items ¹
HKFRS 1 (Amendment)	Additional exemptions for first-time adopters ⁴
HKFRS 1 (Amendment)	Limited exemption from comparative HKFRS 7 disclosures for first-time adopters ⁶
HKFRS 2 (Amendments)	Group cash-settled share-based payments transactions ⁴
HKFRS 3 (Revised)	Business combinations ¹
HKFRS 9	Financial instruments ⁸
HK(IFRIC) — INT 14 (Amendment)	Prepayments of a minimum funding requirement ⁷
HK(IFRIC) — INT 17	Distributions of non-cash assets to owners ¹
HK(IFRIC) — INT 19	Extinguishing financial liabilities with equity instruments ⁶

¹ Effective for annual periods beginning on or after 1st July, 2009.

² Amendments that are effective for annual periods beginning on or after 1st July, 2009 and 1st January, 2010, as appropriate.

³ Effective for annual periods beginning on or after 1st July, 2010 and 1st January, 2011, as appropriate.

⁴ Effective for annual periods beginning on or after 1st January, 2010.

⁵ Effective for annual periods beginning on or after 1st February, 2010.

⁶ Effective for annual periods beginning on or after 1st July, 2010.

⁷ Effective for annual periods beginning on or after 1st January, 2011.

⁸ Effective for annual periods beginning on or after 1st January, 2013.

The application of HKFRS 3 (Revised) may affect the accounting for the Group's business combination for which the acquisition date is on or after 1st April, 2010. HKAS 27 (Revised) will affect the accounting treatment for changes in a Group's ownership interest in a subsidiary.

HKFRS 9 "Financial instruments" introduces new requirements for the classification and measurement of financial assets and will be effective from the Group's annual reporting period beginning 1st April, 2013, with earlier application permitted. The Standard requires all recognised financial assets that are within the scope of HKAS 39 "Financial instruments: Recognition and Measurement" to be measured at either amortised cost or fair value. Specifically, debt investments that (i) are held within a business model whose objective is to collect the contractual cash flows and (ii) have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost. All other debt investments and equity investments are measured at fair value. The application of HKFRS 9 might affect the classification and measurement of the Group's financial assets.

In addition, as part of Improvements to HKFRSs issued in 2009, HKAS 17 "Leases" has been amended in relation to the classification of leasehold land. The amendments will be effective from the Group's annual reporting period beginning 1st April, 2010, with earlier application permitted. Before the amendments to HKAS 17, lessees were required to classify leasehold land as operating leases and presented as prepaid lease payments in the consolidated statement of financial position. The amendments have removed such a requirement. Instead, the amendments require the classification of leasehold land to be based on the general principles set out in HKAS 17, that are based on the extent to which risks and rewards incidental to ownership of a leased asset lie with the lessor or the lessee. The application of the amendments to HKAS 17 might affect the classification and measurement of the Group's leasehold land.

The Directors of the Company anticipate that the application of the other New and Revised HKFRSs, Amendments or Interpretations will have no material impact on the consolidated financial statements.

3. BUSINESS AND GEOGRAPHICAL SEGMENTS

The Group has adopted HKFRS 8 “Operating Segments” with effect from 1st April, 2009. HKFRS 8 is a disclosure standard that requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker for the purpose of allocating resources to segments and assessing their performance. In contrast, the predecessor Standard (HKAS 14, “Segment Reporting”) required an entity to identify two sets of segments (business and geographical) using a risks and returns approach.

The executive directors of the Company (the “Executive Directors”) have been identified as the chief operating decision makers. The Executive Directors review the Group’s internal reporting in order to assess performance and allocate resources.

In the past, the Group’s primary reporting format for business segments was: (i) lease of properties; (ii) properties development; (iii) hotel and hotel related operations; and (iv) consultancy and advisory services. However, for the purpose of resources allocation and assessment of performance, the Executive Directors are more specifically focused on the lease of properties, properties development and hotel and hotel related operations. Consultancy and advisory segment information is not reported internally to the Executive Directors. The Group’s operating segments under HKFRS 8 are therefore as follows: lease of properties, properties development and hotel and hotel related operations.

Principal activities of the operating segments are as follows:

Lease of properties	—	Completed investment properties and properties under development held for rental purpose
Properties development	—	Properties construction and redevelopment for sale purpose
Hotel and hotel related operations	—	Hotel operation in the Grand Emperor Hotel in Macau and The Emperor (Happy Valley) Hotel in Hong Kong, including operations of mass market, slot machine and VIP room operations and provision of gaming-related marketing and public relation services in casino of the Grand Emperor Hotel

Upon the acquisition of Emperor Entertainment Hotel Limited (“EEH”), the Executive Directors reviewed the hotel and hotel related operations of EEH in Macau along with the Group’s existing hotel operation — The Emperor (Happy Valley) Hotel in Hong Kong and hence they are grouped and identified as a single operating segment — Hotel and hotel related operations.

Segment profit (loss) represents the profit earned by or loss from each segment without allocation of central administration costs, interest income from bank deposits, finance costs, share of results of associates, discount on acquisition of subsidiaries and discount on acquisition of additional interest in subsidiaries. This is the measure reported to the Executive Directors for the purposes of resource allocation and performance assessment.

Information regarding the above segments is reported below. Amounts reported for the prior year have been restated to conform to the requirements of HKFRS 8.

Business segments

Information about these business segments is as follows:

	Lease of properties <i>HK\$'000</i>	Properties development <i>HK\$'000</i>	Hotel and hotel related operations <i>HK\$'000</i>	Total <i>HK\$'000</i>
For the year ended 31st March, 2010				
<i>Segment revenue and results</i>				
Segment revenue	<u>339,618</u>	<u>423,094</u>	<u>687,061</u>	<u>1,449,773</u>
Segment results	<u>2,785,214</u>	<u>209,192</u>	<u>195,727</u>	3,190,133
Interest income				2,995
Unallocated corporate expenses, net				(58,680)
Finance costs				(107,648)
Share of results of associates				184,942
Discount on acquisition of subsidiaries				102,552
Discount on acquisition of additional interest in subsidiaries				<u>20,616</u>
Profit before taxation				3,334,910
Taxation charge				<u>(410,052)</u>
Profit for the Year				<u>2,924,858</u>
<i>Other information</i>				
Amounts included in the measure of segment results:				
Depreciation	—	303	58,507	58,810
Release of prepaid lease payments	—	—	8,559	8,559
Loss on disposal of property, plant and equipment	—	—	54	54
Written off of property, plant and equipment	—	—	57,303	57,303
Reversal of impairment losses, net	—	25,333	—	25,333
Fair value increase in investment properties	2,460,495	—	—	2,460,495
Allowance for doubtful debts made	144	—	—	144
Amounts regularly provided to the Executive Directors but not included in the measure of segment results (included in unallocated corporate expenses, net):				
				<i>HK\$'000</i>
Depreciation				15,054
Release of prepaid lease payments				1,263
Gain on disposal of property, plant and equipment				289
Allowance for doubtful debts written back				560

	Lease of properties <i>HK\$'000</i>	Properties development <i>HK\$'000</i>	Hotel and hotel related operations <i>HK\$'000</i>	Total <i>HK\$'000</i>
For the year ended 31st March, 2009				
<i>Segment revenue and results</i>				
Segment revenue	<u>292,505</u>	<u>—</u>	<u>52,674</u>	<u>345,179</u>
Segment results	<u>(1,489,731)</u>	<u>(38,388)</u>	<u>6,342</u>	(1,521,777)
Interest income				2,734
Unallocated corporate expenses, net				(53,977)
Finance costs				(122,932)
Share of results of associates				<u>12,621</u>
Loss before taxation				(1,683,331)
Taxation credit				<u>145,915</u>
Loss for the year				<u>(1,537,416)</u>
<i>Reconciliation of revenue</i>				
Revenue for operating segments				345,179
Revenue from consultancy and advisory services				<u>2,991</u>
Group's revenue				<u>348,170</u>
<i>Other information</i>				
Amounts included in the measure of segment results:				
Depreciation	—	355	6,375	6,730
Release of prepaid lease payments	—	—	3,509	3,509
Impairment losses, net	140,944	28,389	2,787	172,170
Fair value decrease in investment properties	1,586,109	—	—	1,586,109
Allowance for doubtful debts made	130	—	—	130
Amounts regularly provided to the Executive Directors but not included in the measure of segment results (included in unallocated corporate expenses, net):				
				<i>HK\$'000</i>
Depreciation				18,504
Release of prepaid lease payments				1,263
Allowance for doubtful debts written back				327
No analysis of the Group's assets and liabilities by operating segment is disclosed as they are not regularly provided to the Executive Directors for review.				

Geographical information

The Group's operations are located at Hong Kong, the People's Republic of China ("PRC") and Macau.

The Group's revenue from external customers and information about its non-current assets other than amount due from an associate, deposits in designated bank account for development properties and loans receivable by geographical location of the assets are detailed below:

	Revenue from customers		Non-current assets	
	Year ended		Year ended	
	31st March, 2010 <i>HK\$'000</i>	31st March, 2009 <i>HK\$'000</i>	31st March, 2010 <i>HK\$'000</i>	31st March, 2009 <i>HK\$'000</i>
Hong Kong	355,909	335,638	10,713,493	6,840,693
The PRC	425,106	12,532	2,329,078	1,230,728
Macau	668,758	—	2,198,096	808,142
	<u>1,449,773</u>	<u>348,170</u>	<u>15,240,667</u>	<u>8,879,563</u>

Information about major customers

During the year ended 31st March, 2010, revenue derived from the customer which contributed over 10% of the total revenue of the Group's revenue amounted to HK\$580,206,000 (2009: nil). The revenue is related to the hotel and hotel related operations.

4. PROFIT (LOSS) BEFORE TAXATION

	2010 <i>HK\$'000</i>	2009 <i>HK\$'000</i>
Profit (loss) before taxation has been arrived at after charging:		
Depreciation	73,864	25,234
Release of prepaid lease payments	<u>9,822</u>	<u>4,772</u>

5. TAXATION (CHARGE) CREDIT

	2010 <i>HK\$'000</i>	2009 <i>HK\$'000</i>
The (charge) credit comprises:		
Current tax		
Hong Kong Profits Tax	(19,613)	(4,566)
PRC Enterprise Income Tax	(33,627)	—
Macau Complimentary Income Tax	<u>(23,795)</u>	<u>—</u>
	<u>(77,035)</u>	<u>(4,566)</u>
Over (under) provision in prior years		
Hong Kong Profits Tax	307	348
PRC Enterprise Income Tax	<u>(1,161)</u>	<u>—</u>
	<u>(854)</u>	<u>348</u>
	<u>(77,889)</u>	<u>(4,218)</u>
Deferred taxation		
(Charge) credit for the Year	(292,050)	131,617
Change in tax rate	<u>—</u>	<u>18,516</u>
	<u>(292,050)</u>	<u>150,133</u>
PRC Land Appreciation Tax		
Charge for the Year	<u>(40,113)</u>	<u>—</u>
	<u>(410,052)</u>	<u>145,915</u>

Hong Kong Profits Tax is calculated at 16.5% (2009: 16.5%) of the assessable profit for the Year.

Under the Law of the PRC on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% from 1st January, 2008 onwards.

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

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

6. DIVIDENDS

	2010 <i>HK\$'000</i>	2009 <i>HK\$'000</i>
Dividends recognised as distribution during the Year:		
Interim paid: HK\$0.048 per share (2009: HK\$nil)	94,479	—
No final dividend was paid for 2009 (2009: HK\$0.062 per share in respect of 2008)	<u>—</u>	<u>110,065</u>
	<u>94,479</u>	<u>110,065</u>

The Board of Directors proposed the payment of a final dividend of HK\$0.04 per share (2009: nil) for the year ended 31st March, 2010 which is subject to approval by the shareholders in the forthcoming annual general meeting.

7. EARNINGS (LOSS) PER SHARE

The calculation of the earnings (loss) per share attributable to the ordinary equity holders of the Company is based on the following data:

	2010 <i>HK\$'000</i>	2009 <i>HK\$'000</i>
Earnings (loss)		
Earnings (loss) for the purpose of basic earnings per share	2,798,005	(1,536,985)
Effect of dilutive potential ordinary shares:		
Interest on convertible bond	<u>59,529</u>	<u>—</u>
Earnings (loss) for the purpose of diluted earnings per share	<u>2,857,534</u>	<u>(1,536,985)</u>
	2010	2009
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings (loss) per share	1,946,503,427	1,775,246,134
Effect of dilutive potential ordinary shares:		
Convertible bond	<u>515,068,493</u>	<u>—</u>
Weighted average number of ordinary shares for the purpose of diluted earnings per share	<u>2,461,571,920</u>	<u>1,775,246,134</u>

The weighted average number of ordinary shares for the purpose of basic earnings per share has been adjusted for issue of shares during the Year.

The computation of diluted earnings (loss) per share does not assume the exercise of the Company's and EEH's (the Company's subsidiary) outstanding share options as the exercise prices of those options were higher than average market price of the Company's and EEH's shares during the Year.

8. TRADE AND OTHER RECEIVABLES

An analysis of trade and other receivables is as follows:

	2010	2009
	<i>HK\$'000</i>	<i>HK\$'000</i>
Debtors, net carrying values	160,561	4,015
Chips on hand	134,165	—
Other receivables, net carrying values	100,489	114,538
Deposits and prepayments	50,011	21,742
	<u>445,226</u>	<u>140,295</u>

An aged analysis of trade debtors based on the date of credit granted at the end of the reporting period is set out as follows:

	2010	2009
	<i>HK\$'000</i>	<i>HK\$'000</i>
0–30 days	98,620	2,649
31–90 days	31,216	1,174
91–180 days	9,105	64
Over 180 days	21,620	128
	<u>160,561</u>	<u>4,015</u>

Chips on hand represent chips issued by a gaming commissionaire 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\$14,068,000 (2009: HK\$18,409,000). These related companies are companies in which a deemed substantial shareholder of the Company has beneficial interest.

9. TRADE AND OTHER PAYABLES

An aged analysis of trade payables based on invoice date at the end of the reporting period is set out as follows:

	2010 <i>HK\$'000</i>	2009 <i>HK\$'000</i>
0-90 days	27,861	3,867
91-180 days	120	54
Over 180 days	117	20
	28,098	3,941
Construction payables and accruals	419,817	240,603
Other payables and accruals	116,679	39,304
Customers' deposit	113,778	91,442
Short-term advance	15,000	—
Deposit received from pre-sales of properties	2,503	373,615
	695,875	748,905

MANAGEMENT DISCUSSION AND ANALYSIS

Overview

For the Year, the Group has recorded total revenue of approximately HK\$1,449.8 million, representing an increase of 316.4% compared with HK\$348.2 million for the same period in the previous year, when the Asia economy was seriously affected by the global financial crisis.

During the Year, the world, and in particular Asia, has been steering toward recovery. In April 2010, the International Monetary Fund (IMF) revised its global growth forecast for 2010 to 4.2% from the previous estimate of 3.9% in January. This positive outlook for the world has been complemented locally by a low interest rate environment, strengthening investor confidence and improving external trade performance. Hong Kong's property market has therefore regained its strong momentum and the Group's performance represented a significant improvement for the Year. The Group's outstanding performance has been mainly attributable to the successful residential properties sale in Xiamen, disposal of retail properties in Hong Kong, revaluation gain and increase in rental income.

Therefore, the Group has reported for the Year a profit attributable to owners of HK\$2,798.0 million (2009: loss of HK\$1,537.0 million) and earnings per share of HK\$1.44 (2009: loss per share of HK\$0.87).

As at 31st March, 2010, the Group's net asset value amounted to HK\$10,519.7 million (2009: HK\$4,792.0 million). Its property portfolio in Hong Kong, Macau and Mainland China was valued at HK\$19,304.4 million.

Business Review

Property Investment

Rental income from investment properties has been one of the Group's main income drivers. Rental income derived from investment properties has amounted to HK\$339.6 million, approximately 16% up from HK\$292.5 million for the same period in 2009. The Group's investment property portfolio mainly consists of high quality shops and offices in Hong Kong, Macau and Xiamen.

The Group has made two major acquisitions during the Year, one of which has been FitFort, a prominent shopping mall at 560 King's Road, North Point, Hong Kong. This property comprises 6 levels of retail accommodation and carparking spaces, with a total gross floor area of approximately 125,400 square feet plus 353 car parks. The Group will launch a rebranding campaign that includes renovation work, tenant mix adjustment and leasing strategy revision. The shopping mall will provide a stable cash flow and strong revenue source to the Group.

In anticipation of rapid rental growth for shops along Canton Road, Tsim Sha Tsui as a result of the increasing purchasing power of Mainland China tourists, the Group acquired two shops along the strip of that premier shopping street around end of 2009. The shops are located on the Ground Floor, Nos 6 and 8 Canton Road, Kowloon, with a total saleable area of approximately 1,212 square feet. Subsequent to the Year, the Group further acquired the whole of the First Floor, 4, 6 and 8 Canton Road, with a total saleable area of approximately 1,878 square feet. Highly experienced in and insightful towards the niche market of prime retail shops, the Group is confident that its new investment on Canton Road, together with its

heavy presence in Russell Street, Causeway Bay, which according to a recent market survey ranks third highest in the world in terms of retail rental, will contribute a substantial portion of the Group's total rental revenue in the coming future.

With these two most recent acquisitions, the Group had an investment portfolio with a total gross area of approximately 1.3 million square feet, 51% or 668,000 square feet of which were prime retail properties, with an occupancy rate of nearly 99% as at 31st March, 2010.

During the Year, the Group has received sustainable rental income from its key Hong Kong investment properties, including the shopping mall at Emperor Group Centre in Wanchai, Emperor Plaza in Tsuen Wan, a number of shops on Russell Street, Causeway Bay and Emperor International Square in Kowloon Bay. It has been making special effort to add value to these core income generators with comprehensive refurbishment programs. One of the most notable cases has been the extensive renovation work of Emperor Group Centre that included the installation of a giant LED screen on the building's façade. It has added flare to the building and resulted in an occupancy rate of 100% after its completion.

The Group has also highly benefited from the trend of significant rental growth in the premier shopping area of Tsim Sha Tsui that starting from Canton Road and further extended to Haiphong Road, Hankow Road and Nathan Road. The rental increment upon lease renewal of one particular shop within our portfolio has been as high as 48%.

The Group's multi-function beach-front leisure and recreation complex in Repulse Bay which provides a gross floor area of 153,480 square feet has been near completion. The Group intends to lease out the complex as soon as its disagreements on the interpretation of government lease with the Hong Kong SAR Government have been resolved.

In Macau, it is expected that the building plans for the redevelopment of a premium city-centre property on Avenida da Praia Grande with a site area of 5,425 square feet and a total gross floor area of 29,595 square feet could be obtained in the second half of 2010. The new retail complex is expected to generate stable rental income upon completion of redevelopment around 2012.

Clearance work of the Group's 88,417 square-foot site along Chang'an Avenue East in Beijing has been completed up to approximately 60% of which has completed by the end of the Year and it is still ongoing. This site is intended to be developed into a comprehensive commercial complex with a total gross area of approximately 996,520 square feet (including basements of ancillary and carparking accommodation). The project will include a retail podium with high-end entertainment hot spots and a Grade-A office tower.

Property Development

To reap benefits from the booming residential market in Hong Kong ever since the second quarter of 2009, the Group has been dedicated to bringing to fruition its various development projects, one of which, namely "Harbour One", has been offered for pre-sale subsequent to the Year. As at 31st March, 2010, the Group has a land bank of approximately 730,000 square feet for development and redevelopment.

"Harbour One", located on Des Voeux Road West, Sai Wan, has been positioned as a high-end seaview residential development. It will comprise a 38-storey luxury residential tower with 103 flats and a total gross area of approximately 140,000 square feet, expected to be completed in 2012. Pre-sale commenced on 2nd May, 2010, with approximately 52% of the units sold

within one week. It has been the first property development for sale after the announcement of a series of measures, commonly known as the “nine measures”, by the Hong Kong SAR Government aimed at improving transparency and accuracy of first-hand residential property sales. “Harbour One” achieved an average unit rate of HK\$13,800 per square feet on gross area, which surpassed market expectations.

A composite retail/residential tower, titled “The Java”, is currently under development on Java Road, North Point. It will provide 75 flats and 3 shops in a 33-storey tower with a total gross area of approximately 69,000 square feet. The Group planned to offer “The Java” for pre-sale in the third quarter of 2010. The development is expected to be completed in 2012.

The Group has also acquired the former Tai Tung Hotel site on Prince Edward Road West, Kowloon, which will have substantial redevelopment potential due to its proximity to the future Shatin-to-Central Rail Link. It will be redeveloped into a multi-storey commercial/residential block with a total gross floor area of approximately 30,000 square feet. This redevelopment project is expected to be completed in 2012. Pre-sale of uncompleted flats has been planned for the fourth quarter of 2010.

It has another site on Shing On Street, Sai Wan Ho, which will be redeveloped into a multi-storey commercial/residential block, providing a total gross floor area of approximately 70,000 square feet. This redevelopment project is scheduled to be completed in 2013.

With special confidence in residential properties on Hong Kong Island, the Group has recently acquired more than 90% of undivided shares of Cheung Ka Industrial Building, its second development project in Sai Wan. The site will be redeveloped into a luxury composite retail/residential building of approximately 184,000 square feet in gross floor area plus approximately 65 carparking spaces with a panoramic view of the Victoria Harbour, following acquisition of the entire interest in the building.

The Group is also indirectly engaged in a development project located in Yu Yuan, Shanghai, which is owned by its subsidiary EEH. The property will be developed into a shopping arcade and hotel/service apartment complex on a 246,200 square feet site. The main body of the complex will be a multi-storey shopping arcade, and the entire project is expected to have a gross area of approximately 1,298,500 square feet. EEH has completed the foundation and basement excavation work for the development. EEH is now awaiting the outcome of the litigation set out in the section headed “Contingent Liabilities” below in relation to the cancellation of a joint venture concerning the development of the project. In the meantime, EEH is reviewing the design and planning to award the contracts for construction above ground.

Sale of Property

The property market in the PRC, following a correction last year, has recovered in terms of both prices and sales volume since mid 2009. The launching of home-ownership incentives by the central and local governments coupled with a series of monetary easing measures have supported the real estate market during the Year.

The Group has a commercial/residential composite development project in Xiamen, known as Emperor Lakeside Metropolis. It provides a total of 284 residential flats with a total of gross area of 440,000 square feet. The Group has completed the project during the Year. Most of the

residential units have been pre-sold and subsequently handed over to the buyers. Sale proceeds have amounted to HK\$423.1 million during the Year. As at 31st March, 2010, over 98% of the residential units were sold.

Hotel and Hotel Related Operations

The segment includes contributions from the 291-room Grand Emperor Hotel in Macau whose income from hospitality and hotel related services has been consolidated with the Group since late August 2009, as well as The Emperor (Happy Valley) Hotel in Hong Kong. The segment has brought in revenue of HK\$687.1 million during the Year (2009: HK\$52.7 million).

Opened in early 2006, Grand Emperor Hotel has established its name among the Hong Kong and PRC tourists with its value for money and quality service. During the Year, Grand Emperor Hotel has achieved substantial revenue increase despite the slowdown of tourism in Macau. It has managed to capitalize the period of stagnancy during the first half of the Year to fine tune its target market and business strategy as well as optimize its services.

The Emperor (Happy Valley) Hotel in Hong Kong has derived revenue mainly from the hotel's 150 guest rooms as well as food and beverage from the Chinese restaurant and coffee shop. The Year saw a significant recovery after the downturn of global economy in the previous year. The Emperor (Happy Valley) Hotel has strived to boost its income from business travelers and online reservation to 90% of its total revenue, downsizing the much less lucrative contribution from tour groups to 10%.

This is the first fiscal year after the Group raised its holding in EEH to approximately 57.5%. The Group is pleased to see its newly reorganized hotel segment recording a favourable contribution to the Group as a whole.

Prospects

Considering China's rising growth momentum and increasing role on the world stage, the Group is cautiously optimistic about the economic outlook for China and Hong Kong in the year ahead.

With half of its investment portfolio located in premier shopping districts, the Group expects its rental income from investment properties to continuously benefit from Mainland Chinese tourists' strong purchasing power. The Group will be dedicated to constantly upgrading its investment properties and improving tenant mix so as to maintain an occupancy rate close to 100% and, for premier retail properties in Tsim Sha Tsui and Causeway Bay, an average annual rental increment of at least 10%.

The Group believes the Hong Kong SAR Government's newly announced "nine measures" in an endeavour to improve accuracy and transparency of first-hand residential property transactions, will boost the confidence of potential buyers of uncompleted flats. Its compliance of these measures for its pre-sale of "Harbour One" residential units starting on 2nd May, 2010 was positively received. The Group will actively respond to any further policy changes when it launches pre-sale of "The Java" scheduled in the third quarter of 2010. Following "The Java", projects on Prince Edward Road and Shing On Street will also be offered for pre-sale in the fourth quarter of 2010 and first quarter of 2011 respectively. The Group will closely monitor the market conditions and react to take advantage of marketing windows.

The Group is also analyzing the feasibility of triggering the sale by public auction of some potential residential sites in the 2010–11 Application List from the Hong Kong SAR Government in the year ahead.

Capital Structure, Liquidity and Financial Resources

On 7th July, 2009, Worthly Strong Investment Limited (“Worthly Strong”), an indirect wholly-owned subsidiary of the Company entered into a sale and purchase agreement (the “First Sale and Purchase Agreement”) with Hidy Investment Limited (“Hidy”) for acquisition of 10% interest in Luck United Holdings Limited (“Luck United”) and loan due from Luck United to Hidy at a consideration of approximately HK\$199.5 million. The consideration was satisfied by the allotment and issue of 193,064,706 shares of the Company at an issue price of HK\$1.02 per share together with a cash consideration of approximately HK\$2.6 million. On the same day, Worthly Strong entered into a sale and purchase agreement (“Second Sale and Purchase Agreement”) with Great Assets Holdings Limited, an indirect wholly-owned subsidiary of EEH, for the disposal of 10% interest in Luck United and loan due from Luck United to Worthly Strong at a consideration of approximately HK\$199.5 million. The consideration was satisfied by the allotment and issue of 281,322,857 shares of EEH at an issue price of HK\$0.7 per share together with a cash consideration of approximately HK\$2.6 million. Upon the completion of the First Sale and Purchase Agreement and the Second Sale and Purchase Agreement on 28th August, 2009, the Group’s attributable interest in EEH was increased to approximately 55.74% and EEH became a subsidiary of the Group.

On 24th July, 2009, the Company entered into an subscription agreement (“Agreement”) with Eternally Smart Limited (“Eternally Smart”), a wholly-owned subsidiary of the controlling shareholder of the Company. Pursuant to the terms of the Agreement, convertible bond in the principal amount of HK\$1,200 million will be issued to Eternally Smart on completion which took place on 3rd September, 2009 whereupon the same amount of loan due from the Group to Eternally Smart was applied to set off against the subscription price of HK\$1,200 million of the convertible bond. On 10th March, 2010, Eternally Smart exercised its right to convert the whole part of the principal amount of the convertible bond into fully paid ordinary shares. Exercise in full of such convertible bond resulted in the issue of 1,000,000,000 additional shares in the Company.

As at 31st March, 2010, the total external borrowings (excluding payables) amounted to approximately HK\$7,227.4 million and the Group maintained a debt to total asset ratio of 37.5% (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 operations. 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.

Assets Pledged

Assets with carrying value of approximately HK\$13,996.6 million were pledged as security for banking facilities.

Contingent Liabilities

In October 2006, EEH commenced legal proceedings against the joint venture partner (“JV Partner”) in Shanghai, the PRC, for termination of the joint venture agreement (“JV Agreement”) in respect of the development of the EEH’s property in Shanghai (the “Project”) as a result of the JV Partner’s failure to settle the outstanding payment and construction costs in accordance with the terms of the JV Agreement. EEH also claimed against the JV Partner for forfeiture of the JV Partner’s contribution to the Project and further contribution by the JV Partner of outstanding payment and construction costs totalling RMB83.6 million (equivalent to HK\$95.1 million). The JV Partner contested the proceedings and counterclaimed against the EEH for RMB100 million (equivalent to HK\$113.7 million) as damages for breach of the JV Agreement. The PRC lawyers representing EEH were of the view that it is probable for EEH to terminate the JV Agreement, in which event the JV Partner is unable to provide supportive rationale to the court to support their counterclaim, therefore no provision was made by EEH. The legal case is still in the progress as at the end of the Year.

In January 2007, EEH was sued jointly with its contractor for MOP3.5 million (equivalent to HK\$3.4 million) for injuries suffered by a third party in an accident which happened in 2005 in the premises of the Grand Emperor Hotel when the hotel was under renovation. The ultimate outcome of the case is not determinable at this stage. No provision was made by EEH as EEH is of the view that the contractor and its insurer should be responsible for paying any damages awarded to the plaintiff.

In July 2008, Gold Shine Investment Limited (“Gold Shine”), an indirectly held subsidiary of the Company, commenced legal proceedings seeking declarations from the court in respect of the Conditions of Exchange relating to its property situated in Repulse Bay. The court of first instance declined to grant the declarations sought. Gold Shine has lodged an appeal. The proceeding was still in progress as at the end of the Year. The Group is of the view that the ultimate outcome of the case is not determinable at this stage and no provision was made by the Group.

Employees and Remuneration Policy

The Group’s number of employees was approximately 1,300 (2009: approximately 330) as at 31st March, 2010. Total staff costs (including directors’ emoluments) for the Year was approximately HK\$245.7 million (2009: HK\$93.7 million). Employees’ remuneration was determined in accordance with individual’s responsibility, performance and experience. Staff benefits include contributions 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 9th September, 2003. During the Year, no share option had been granted and outstanding share options as at 31st March, 2010 were 37,500,000 share options.

FINAL DIVIDEND

The Board recommended the payment of a final dividend of HK\$0.04 per share (“Final Dividend”) for the year ended 31st March, 2010 (2009: Nil), amounting to approximately HK\$118.7 million, subject to the approval of the shareholders at the forthcoming annual general meeting of the Company to be held on 18th August, 2010 (Wednesday). If approved,

the Final Dividend will be paid on or around 17th September, 2010 (Friday) to shareholders whose names appear on the register of members of the Company on 18th August, 2010 (Wednesday) and the total distribution per share for the Year would be HK\$0.088 (2009: Nil).

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed, for the purpose of determining shareholders' entitlement to the Final Dividend, from 16th August, 2010 (Monday) to 17th August, 2010 (Tuesday) (both days inclusive), during which period no share transfer will be effected.

In order to qualify for the Final Dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's Share Registrar in Hong Kong, 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 13th August, 2010 (Friday).

REVIEW OF ANNUAL RESULTS

The annual results for the Year have been reviewed by the audit committee of the Company, which comprises the three Independent Non-executive Directors of the Company.

CORPORATE GOVERNANCE

Code on Corporate Governance Practices

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

Model Code for Securities Transactions

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") as set out in Appendix 10 of the Listing Rules as its own code of conduct regarding Directors' securities transactions. Having made specific enquiry to the Directors of the Company, all of them confirmed that they have complied with the required standard of dealings as set out in the Model Code throughout the Year.

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

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

PUBLICATION OF THE AUDITED ANNUAL RESULTS AND ANNUAL REPORT

The annual results announcement is published on the website of the Stock Exchange (<http://www.hkex.com.hk>) and the Company's website (<http://www.emp163.com>). The annual report will be dispatched to the shareholders of the Company and will be available on websites of the Stock Exchange and the Company in due course.

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

Hong Kong, 28th June, 2010

As at the date hereof, the Board comprises:

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