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

(Incorporated in Bermuda with limited liability)
(Stock Code: 163)

ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 31ST MARCH, 2006

RESULTS

The board of directors (the "Board" or the "Directors") of Emperor International Holdings Limited (the "Company") announced that the audited consolidated results of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31st March, 2006 ("Year") together with comparative figures for the corresponding year in 2005 are as follows:

These audited financial statements have been audited by the Company's auditors, Deloitte Touche Tohmatsu, and have been reviewed by the audit committee of the Company, which comprises three Independent Non-executive Directors of the Company.

CONSOLIDATED INCOME STATEMENT

		Year ended 31st March,	
		2006	2005
	Notes	***HK$'000***	*HK$'000*
			(Restated)
Continuing operations			
Turnover		**325,677**	401,846
Cost of sales		**(12,696)**	(121,266)
Direct operating expenses		**(59,473)**	(51,498)
Gross profit		**253,508**	229,082
Other income – net		**11,989**	12,972
Fair value change in investment properties		**370,669**	–
Surplus on revaluation of investment properties		**–**	351,740
Reversal of impairment – net	5	**103,026**	8,467
(Allowance for) reversal of allowance for properties held for sale		**(1,761)**	2,673
Selling and marketing expenses		**(5,578)**	(4,622)
Administrative expenses		**(91,321)**	(112,693)
Allowance for doubtful debts of margin financing and other receivables written back – net		**890**	10,350
Finance costs		**(78,765)**	(17,773)
Share of results of associates		**58,628**	6,145
Gain on deemed partial disposal of interest in an associate		**–**	3,632
Profit before taxation	6	**621,285**	489,973
Taxation	7	**(87,074)**	(12,161)
Profit for the year from continuing operations		**534,211**	477,812
Discontinued operations			
Profit (loss) for the year from discontinued operations	8	**2,470**	(11,540)
Profit for the year		**536,681**	466,272
Attributable to:			
Equity holders of the Company		**532,392**	466,354
Minority interests		**4,289**	(82)
		536,681	466,272
Earnings per share	9		
From continuing and discontinued operations			
– Basic		**HK$0.47**	HK$0.52
– Diluted		**HK$0.47**	N/A
From continuing operations			
– Basic		**HK$0.47**	HK$0.54
– Diluted		**HK$0.47**	N/A

CONSOLIDATED BALANCE SHEET

	Notes	As at 31st March, 2006 HK$'000	2005 HK$'000 (Restated)
Non-current assets			
Investment properties		**3,712,220**	2,815,656
Property, plant and equipment		**228,986**	410,518
Prepaid lease payments		**359,180**	365,142
Properties under development		**302,500**	184,000
Interests in associates		**481,365**	400,155
Amounts due from associates		**70,495**	6,414
Loans receivable		**9,410**	20,070
Intangible assets		**1,431**	6,401
Goodwill		**1,940**	1,940
Negative goodwill		**–**	(12,135)
Investments in non-trading securities		**2**	393
Other assets		**8,405**	13,389
Deferred taxation assets		**3,474**	8,051
Deposits made on acquisition of properties		**40,410**	31,800
		5,219,818	4,251,794
Current assets			
Inventories		**1,153**	33,974
Properties held for sale		**10,182**	13,918
Prepaid lease payments		**5,962**	5,962
Properties under development		**81,270**	77,452
Debtors, deposits and prepayments	11	**310,276**	318,485
Taxation recoverable		**566**	652
Investments in trading securities		**179**	2,913
Pledged bank deposits		**655**	9,375
Bank balances – trust accounts		**101,846**	87,433
Bank balances (general accounts) and cash		**89,556**	125,375
		601,645	675,539
Current liabilities			
Creditors, customers' deposits and accrued charges	12	**264,359**	326,825
Amount due to a shareholder		**486,204**	212,805
Amounts due to minority shareholders of subsidiaries		**21,278**	–
Taxation payable		**2,364**	3,993
Secured bank borrowings – due within one year		**554,048**	468,387
Obligations under finance leases – due within one year		**–**	48
		1,328,253	1,012,058
Net current liabilities		**(726,608)**	(336,519)
Total assets less current liabilities		**4,493,210**	3,915,275
Non-current liabilities			
Amounts due to minority shareholders of subsidiaries		**–**	22,991
Secured bank borrowings – due after one year		**555,077**	471,095
Obligations under finance leases – due after one year		**–**	32
Deferred taxation liabilities		**149,467**	77,409
		704,544	571,527
Net assets		**3,788,666**	3,343,748
Capital and reserves			
Share capital		**11,227**	11,227
Reserves		**3,780,956**	3,340,636
Equity attributable to the equity holders of the Company		**3,792,183**	3,351,863
Minority interests		**(3,517)**	(8,115)
Total equity		**3,788,666**	3,343,748

Notes:

1. **BASIS OF PREPARATION**
The financial statements have been prepared under the historical cost convention as modified for investment properties and certain financial instruments, which are measured at fair values and in accordance with accounting principles generally accepted in Hong Kong.

2. **APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS**
In the current year, the Group has applied, for the first time, a number of new Hong Kong Financial Reporting Standards ("HKFRS"s), Hong Kong Accounting Standards ("HKAS"s) and Interpretations ("INT"s) (hereinafter collectively referred to as "new HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") that are effective for accounting periods beginning on or after 1st January, 2005. The application of the new HKFRSs has resulted in a change in the presentation of the consolidated income statement, consolidated balance sheet and consolidated statement of changes in equity. In particular, the presentation of minority interests and share of tax of associates have been changed as required by HKAS 1 "Presentation of financial statements". The changes in presentation have been applied retrospectively. The adoption of the new HKFRSs has resulted in changes to the Group's accounting policies in the following areas that have an effect on how the results for the current or prior accounting periods are prepared and presented:

Business combinations
The Group has applied HKFRS 3 "Business combinations" ("HKFRS 3") in previous year for business combination with the agreement date on or after 1st January, 2005. The principal effects of the application of the transitional provisions of HKFRS 3 for goodwill exist on or before 1st January, 2005 to the Group are summarised below:

Excess of the Group's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost (previously known as "negative goodwill")
In accordance with HKFRS 3, any excess of the Group's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over the cost of acquisition is recognised immediately in profit or loss in the period in which the acquisition takes place. In accordance with the relevant transitional provisions in HKFRS 3, the Group has derecognised all negative goodwill of HK$12,135,000 at 1st April, 2005 with a corresponding increase in accumulated profits.

Share-based payment
In the current year, the Group has applied HKFRS 2 "Share-based Payment" ("HKFRS 2") which requires an expense to be recognised where the Group buys goods or obtains services in exchange for shares or rights over shares ("equity-settled transactions"), or in exchange for other assets equivalent in value to a given number of shares or rights over shares ("cash-settled transactions"). The principal impact of HKFRS 2 on the Group is in relation to the expensing of the fair value of the share options of the Company granted to participants thereunder including the directors and eligible employees of the Group, determined at the date of grant of the share option, over the vesting period. Prior to the application of HKFRS 2, no share options were granted by the Company and accordingly, no retrospective restatement is required.

The adoption of HKFRS 2 has had a significant impact on the results of operations and financial position of the Group for the current year. An amount of HK$4,654,000 representing the fair value of share options granted in August 2005, which vested immediately at the date of grant, was charged to the consolidated income statement during the year, with an corresponding increase in share option reserve of HK$4,654,000.

Financial instruments
In the current year, the Group has applied HKAS 32 "Financial instruments: disclosure and presentation" ("HKAS 32") and HKAS 39 "Financial instruments: recognition and measurement" ("HKAS 39"). HKAS 32 requires retrospective application. HKAS 39, which is effective for annual periods beginning on or after 1st April, 2005, generally does not permit the recognition, derecognition or measurement of financial assets and liabilities on a retrospective basis. The principal effects resulting from the implementation of HKAS 32 and HKAS 39 are summarised below:

Classification and measurement of financial assets and financial liabilities
The Group has applied the relevant transitional provisions in HKAS 39 with respect to classification and measurement of financial assets and financial liabilities that are within the scope of HKAS 39.

By 31st March, 2005, the Group classified and measured its equity securities in accordance with the alternative treatment of the Statement of Standard Accounting Practice 24 "Accounting for Investments in Securities" ("SSAP 24"). Under SSAP 24, investments in debt or equity securities are classified as "investment securities", "other investments" or "held-to-maturity investments" as appropriate. "Investment securities" are carried at cost less impairment losses (if any) while "other investments" are measured at fair value, with unrealised gains or losses included equity. Held-to-maturity investments are carried at amortised cost less impairment losses (if any). From 1st April, 2005 onwards, the Group has classified and measured its equity securities in accordance with HKAS 39. Under HKAS 39, financial assets are classified as "financial assets at fair value through profit or loss", "available-for-sale financial assets", "loans and receivables", or "held-to-maturity financial assets". "Financial assets at fair value through profit or loss" and "available-for-sale financial assets" are carried at fair value, with changes in fair values recognised in profit or loss and equity respectively. Available-for-sale equity investments that do not have quoted market prices in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity instruments are measured at cost less impairment after initial recognition. "Loans and receivables" and "held-to-maturity financial assets" are measured at amortised cost using the effective interest method after initial recognition.

On 1st April, 2005, the Group classified and measured its equity securities in accordance with the transitional provisions of HKAS 39. As a result of the adoption of HKAS 39, the Group has redesignated "investments in non-trading securities" recorded in the consolidated balance sheet at 1st April, 2005 amounting to HK$393,000 as "available-for-sale" investments and has redesignated "investments in trading securities" recorded in the consolidated balance sheet at 1st April, 2005 amounting to HK$2,913,000 as "financial assets at fair value through profit or loss" investments.

Financial assets and financial liabilities other than debt and equity securities
From 1st April, 2005 onwards, the Group has classified and measured its financial assets and financial liabilities other than debt and equity securities (which were previously outside the scope of SSAP 24) in accordance with the requirements of HKAS 39. As mentioned above, financial assets under HKAS 39 are classified as "financial assets at fair value through profit or loss", "available-for-sale financial assets", "loans and receivables" or "held-to-maturity financial assets". Financial liabilities are generally classified as "financial liabilities at fair value through profit or loss" or "other financial liabilities". Financial liabilities at fair value through profit or loss are measured at fair value, with changes in fair value being recognised in profit or loss directly. "Other financial liabilities" are carried at amortised cost using the effective interest method after initial recognition. These requirements of HKAS 39 did not have any financial impact to the Group.

Derivatives and hedging
From 1st April, 2005 onwards, all derivatives that are within the scope of HKAS 39 are required to be carried at fair value at each balance sheet date regardless of whether they are deemed as held for trading or designated as effective hedging instruments. Under HKAS 39, derivatives (including embedded derivatives separately accounted for from the non-derivative host contracts) are deemed as held-for-trading financial assets or financial liabilities, unless they qualify and are designated as effective hedging instruments. The corresponding adjustments on changes in fair values would depend on whether the derivatives are designated as effective hedging instruments, and if so, the nature of the item being hedged. For derivatives that are deemed as held for trading, changes in fair values of such derivatives are recognised in profit or loss for the period in which they arise. Since there were no derivative financial instruments as at 1st April, 2005, accordingly, comparative figures have not been restated.

Investment properties
In the current year, the Group has, for the first time, applied HKAS 40 "Investment property". The Group has elected to use the fair value model to account for its investment properties which requires gains or losses arising from changes in the fair value of investment properties to be recognised directly in profit or loss for the year in which they arise. In previous years, investment properties under the predecessor Standard were measured at open market values, with revaluation surplus or deficits credited or charged to investment property revaluation reserve unless the balance on this reserve was insufficient to cover a revaluation decrease, in which case the excess of the revaluation decrease over the balance on the investment property revaluation reserve was charged to the consolidated income statement. Where a decrease had previously been charged to the income statement and a revaluation surplus subsequently arose, that increase was credited to the consolidated income statement to the extent of the decrease previously charged. The Group has applied the relevant transitional provisions in HKAS 40 and elected to apply HKAS 40 from 1st April, 2005. The amount held in investment property revaluation reserve at 1st April, 2005 has been transferred to the Group's accumulated profits (note 3).

Deferred taxes related to investment properties
In previous years, deferred tax consequences in respect of revalued investment properties were assessed on the basis of the tax consequence that would follow from recovery of the carrying amount of the properties through sale in accordance with the predecessor Interpretation. In the current year, the Group has applied Hong Kong Standard Interpretations Committee Interpretation 21 "Income taxes – recovery of revalued non-depreciable assets" ("HK(SIC) Interpretation 21") which removes the presumption that the carrying amount of investment properties are to be recovered through sale. Therefore, the deferred tax consequences of the investment properties are now assessed on the basis that reflects the tax consequences that would follow from the manner in which the Group expects to recover the property at each balance sheet date. In the absence of any specific transitional provisions in HK(SIC) Interpretation 21, this change in accounting policy has been applied retrospectively. Comparative figures for 2005 have been restated (note 3).

Owner-occupied leasehold interest in land
In previous years, owner-occupied leasehold land and buildings were included in property, plant and equipment and measured using the cost model. In the current year, the Group has applied HKAS 17 "Leases" ("HKAS 17"). Under HKAS 17, the land and building elements of a lease of land and buildings are considered separately for the purposes of lease classification, unless the lease payments cannot be allocated reliably between the land and building elements, in which case, the entire lease is generally treated as a finance lease. To the extent that the allocation of the lease payments between the land and building elements can be made reliably, the leasehold interests in land are reclassified to prepaid lease payments under operating leases, which are carried at cost and amortised over the lease term on a straight line basis. This change in accounting policy has been applied retrospectively.

As a result of the adoption of HKAS 17, the land element previously recorded in leasehold land and building and hotel properties amounting to HK$377,066,000 was redesignated as "prepaid lease payments" as at 1st April, 2004.

Hotel properties
Hong Kong Interpretation 2 "The appropriate accounting policies for hotel properties" ("HK INT 2") clarifies the accounting policy for owner-operated hotel properties. In previous years, depreciation is provided to write off the carrying value of leasehold land over the unexpired term of the lease. No depreciation is provided in respect of hotel buildings erected on leasehold land with an unexpired term of more than 20 years. It was the Group's policy to maintain the hotel buildings (including integral plant and machinery) in such condition that their value is not diminished by the passage of time. Accordingly, the directors consider that the lives of these assets and their residual values are such that any depreciation would be insignificant. The related maintenance and repairs expenditure is charged to the income statement when incurred. All hotel buildings erected on leasehold land with an unexpired term of less than 20 years are depreciated over their estimated useful lives or the term of the relevant lease, whichever is shorter. HK INT 2 requires owner-operated properties to be classified as property, plant and equipment in accordance with HKAS 16 "Property, plant and equipment", and therefore be accounted for either using the cost model or the revaluation model. The Group has resolved to account for these hotel properties using the cost model. In the absence of any specific transitional provisions in HK INT 2, the new accounting policy has been applied retrospectively. Comparative figures have been restated (see note 3).

The Group has not early applied the following new standards, amendments and interpretations that have been issued but are not yet effective. The directors of the Company anticipate that the application of these standards or interpretations will have no material impact on the consolidated financial statements of the Group, except that the Group is not yet in a position to determine the financial impact of HKAS 39 and HKFRS 4 (Amendments) which requires the recognition of financial guarantee at fair value.

HKAS 1 (Amendment)	Capital disclosures[1]
HKAS 19 (Amendment)	Actuarial gains and losses, group plans and disclosures[2]
HKAS 21 (Amendment)	Net investment in a foreign operation[2]
HKAS 39 (Amendment)	Cash flow hedge accounting of forecast intragroup transactions[2]
HKAS 39 (Amendment)	The fair value option[2]
HKAS 39 and HKFRS 4 (Amendments)	Financial guarantee contracts[2]
HKFRS 6	Exploration for and evaluation of mineral resources[2]
HKFRS 7	Financial Instruments: Disclosures[1]
HK(IFRIC) – INT 4	Determining whether an arrangement contains a lease[2]
HK(IFRIC) – INT 5	Rights to interests arising from decommissioning, restoration and environmental rehabilitation funds[2]
HK(IFRIC) – INT 6	Liabilities arising from participating in a specific market – waste electrical and electronic equipment[3]
HK(IFRIC) – INT 7	Applying the restatement approach under HKAS 29 Financial Reporting in Hyperinflationary Economies[4]
HK(IFRIC) – INT 8	Scope of HKFRS 2[5]
HK(IFRIC) – INT 9	Reassessment of embedded derivatives[6]

[1] Effective for annual periods beginning on or after 1st January, 2007.
[2] Effective for annual periods beginning on or after 1st January, 2006.
[3] Effective for annual periods beginning on or after 1st December, 2005.
[4] Effective for annual periods beginning on or after 1st March, 2006.
[5] Effective for annual periods beginning on or after 1st May, 2006.
[6] Effective for annual periods beginning on or after 1st June, 2006.

3. SUMMARY OF THE EFFECTS OF THE CHANGES IN ACCOUNTING POLICIES

The effects of the changes in the accounting policies described in note 2 on the results for the current and prior years are as follows:

	2006	2005
	HK$'000	*HK$'000*
Share option granted to employees, included in administrative expenses	**(4,654)**	–
Fair value change in investment properties	**370,669**	–
Increase in depreciation of self-operated hotel properties, included in direct operating expenses	**(4,867)**	(4,867)
Increase in deferred taxation charge arising from fair value change in investment properties	**(64,867)**	–
Increase (decrease) in profit for the year	**296,281**	(4,867)

4. SEGMENT INFORMATION

Business segments

Information about business segments is as follows:

	Continuing operations						Discontinued operations					
	Lease of properties *HK$'000*	**Sales of properties** *HK$'000*	**Securities brokerage and consultancy services** *HK$'000*	**Hotel operations** *HK$'000*	**Others** *HK$'000*	**Total** *HK$'000*	**Printing and publishing** *HK$'000*	**Wholesaling and retailing of furniture** *HK$'000*	**Sales of marine products** *HK$'000*	**Restaurant operations** *HK$'000*	**Total** *HK$'000*	**Consolidated** *HK$'000*
Year ended 31st March, 2006												
INCOME STATEMENT												
Turnover												
External sales	130,482	4,241	127,606	63,348	–	325,677	460,519	154,102	22,009	23,227	659,857	985,534
Segment results	597,172	(758)	78,870	4,119	158	679,561	3,339	3,008	819	(1,562)	5,604	685,165
Interest income						2,482					234	2,716
Unallocated corporate expenses						(40,621)					(15)	(40,636)
Finance costs						(78,765)					(2,009)	(80,774)
Share of results of associates						58,628					–	58,628
Profit before taxation						621,285					3,814	625,099
Taxation						(87,074)					(1,344)	(88,418)
Profit for the year						534,211					2,470	536,681
Year ended 31st March, 2005												
INCOME STATEMENT												
Turnover												
External sales	104,684	141,933	103,340	51,889	–	401,846	422,141	137,946	158,869	26,414	745,370	1,147,216
Segment results	450,442	31,389	71,083	(5,321)	83	547,676	(11,542)	1,907	3,314	(1,479)	(7,800)	539,876
Interest income						1,153					23	1,176
Unallocated corporate expenses						(50,860)					(1,995)	(52,855)
Finance costs						(17,773)					(1,356)	(19,129)
Share of results of associates						6,145					–	6,145
Gain on deemed partial disposal of interest in an associate						3,632					–	3,632
Profit (loss) before taxation						489,973					(11,128)	478,845
Taxation						(12,161)					(412)	(12,573)
Profit (loss) for the year						477,812					(11,540)	466,272

5. REVERSAL OF IMPAIRMENT – NET

	Continuing operations		Discontinued operations		Consolidated	
	2006 ***HK$'000***	2005 *HK$'000*	**2006** ***HK$'000***	2005 *HK$'000*	**2006** ***HK$'000***	2005 *HK$'000*
Impairment losses reversed (recognised) in respect of:						
Properties under development	**104,016**	8,467	**–**	–	**104,016**	8,467
Motor vehicle registration marks	**(990)**	–	**–**	–	**(990)**	–
	103,026	8,467	**–**	–	**103,026**	8,467

6. PROFIT BEFORE TAXATION

	Continuing operations		Discontinued operations		Consolidated	
	2006 ***HK$'000***	2005 *HK$'000*	**2006** ***HK$'000***	2005 *HK$'000*	**2006** ***HK$'000***	2005 *HK$'000*
Profit before taxation has been arrived at after charging:						
Amortisation of intangible assets, included in administrative expenses	**1,617**	944	**404**	404	**2,021**	1,348
Amortisation of publishing library, included in administrative expenses	**–**	–	**555**	555	**555**	555
Depreciation						
– owned assets	**21,254**	16,532	**23,573**	32,437	**44,827**	48,969
– assets held under finance leases	**–**	–	**270**	39	**270**	39
and after crediting:						
Gain on disposal of investment properties	**–**	26,636	**–**	–	**–**	26,636

7. TAXATION

	Continuing operations 2006 HK$'000	Continuing operations 2005 HK$'000 (Restated)	Discontinued operations 2006 HK$'000	Discontinued operations 2005 HK$'000	Consolidated 2006 HK$'000	Consolidated 2005 HK$'000 (Restated)
The charge comprises:						
Current tax						
Hong Kong Profits Tax	**9,268**	9,493	**1,418**	102	**10,686**	9,595
PRC enterprise income tax	**–**	117	**–**	–	**–**	117
	9,268	9,610	**1,418**	102	**10,686**	9,712
Overprovision in prior years						
Hong Kong Profits Tax	**(170)**	(363)	**–**	–	**(170)**	(363)
PRC enterprise income tax	**(11)**	–	**–**	–	**(11)**	–
	(181)	(363)	**–**	–	**(181)**	(363)
Deferred tax charge (credit)						
Current year	**77,987**	2,914	**(74)**	310	**77,913**	3,224
	87,074	12,161	**1,344**	412	**88,418**	12,573

Hong Kong Profits Tax is calculated at 17.5% (2005: 17.5%) of the estimated assessable profit for the year.

The PRC enterprise income tax is calculated at the rates prevailing in the PRC.

8. DISCONTINUED OPERATIONS

	2006 HK$'000	2005 HK$'000
Turnover	**659,857**	745,370
Cost of sales	**(452,305)**	(572,967)
Direct operating expenses	**(11,154)**	(12,351)
Other income – net	**8,513**	9,301
Selling and marketing expenses	**(92,692)**	(84,496)
Administrative expenses	**(104,698)**	(92,123)
Allowance for doubtful debts written off	**(1,698)**	(2,506)
Finance costs	**(2,009)**	(1,356)
Profit (loss) before taxation	**3,814**	(11,128)
Taxation	**(1,344)**	(412)
Profit (loss) for the year	**2,470**	(11,540)

9. EARNINGS PER SHARE

From continuing and discontinued operations

The calculation of the basic and diluted earnings per share attributable to the ordinary equity holders of the Company is as follows:

	2006 HK$'000	2005 HK$'000
Earnings		
Earnings for the purpose of basic earnings per share	**532,392**	466,354
Effect of dilutive potential share on the share of results of a listed associate based on dilution of its earnings per share	**–**	–
Earnings for the purpose of diluted earnings per share	**532,392**	466,354

	2006	2005
Number of shares		
Weighted average number of ordinary share for the purpose of basic earnings per share	**1,122,678,181**	890,258,038
Effect of dilutive potential shares – share options	**–**	N/A
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**1,122,678,181**	890,258,038

From continuing operations

The calculation of the basic and diluted earnings per share from continuing operations attributable to the ordinary equity holders of the Company is as follows:

	2006 HK$'000	2005 HK$'000
Profit for the year attributable to equity holders of the Company	**532,392**	466,354
Less: Profit (loss) for the year from discontinued operations, net of minority interests	**2,185**	(11,540)
Earnings for the purpose of basic earnings per share from continuing operations	**530,207**	477,894
Effect of dilutive potential share on the share of results of a listed associate based on dilution of its earnings per share	**–**	
Earnings for the purpose of diluted earnings per share from continuing operations	**530,207**	

From discontinued operations

Basic earnings per share for discontinued operations is HK$0.002 per share (2005: loss per share of HK$0.01), based on the profit for the year from discontinued operations of HK$2,185,000 (2005: loss for the year of HK$11,540,000) and the denominator detailed above for basic and diluted earnings per share.

No disclosure of diluted earnings per share has been presented in respect of the Company's potential ordinary shares as the exercise price of these potential ordinary shares was higher than the average market price of the shares during the year.

No disclosure of diluted earnings per share was presented for 2005 as there were no dilutive potential ordinary shares in issue in that year.

10. DIVIDENDS

	2006	2005
	HK$'000	*HK$'000*
Paid:		
2006 interim dividend of HK$0.05 (2005: HK$0.033) per share	**56,134**	28,489
2005 final dividend of HK$0.068 (2004: HK$0.038; HK$0.38 after adjusting for effect of 1 to 10 share sub-division) per share	**76,342**	32,805
	132,476	61,294
Proposed:		
2006 final proposed dividend after the balance sheet date of HK$0.051 (2005: HK$0.068) per share	**68,706**	76,342

The final dividend proposed of HK$0.051 (2005: HK$0.068) per share has been proposed by the directors and is subject to approval by the shareholders in the forthcoming annual general meeting.

11. DEBTORS, DEPOSITS AND PREPAYMENTS

In general, the Group allows credit periods ranging from 30 days to 180 days to its customers in its trading business.

The Group does not grant credit to the majority of its customers in other business. Loans to share margin clients are secured by clients' pledged securities and are repayable on demand. No aged analysis is disclosed in respect of loans to share margin clients as, in the opinion of the directors, the aged analysis does not give relevant information in view of the nature of the business of share margin financing.

An aged analysis of trade debtors at the balance sheet date is set out as follows:

	2006	2005
	HK$'000	*HK$'000*
0 – 30 days	**84,242**	121,017
31 – 90 days	**843**	22,124
91 – 180 days	**101**	32,070
Over 180 days	**97,625**	16,369
	182,811	191,580
Loans to share margin clients	**87,899**	74,960
Other receivables, deposits and prepayments	**39,566**	51,945
	310,276	318,485

12. CREDITORS, CUSTOMERS' DEPOSITS AND ACCRUED CHARGES

An aged analysis of trade payables at the balance sheet date is set out as follows:

	2006	2005
	HK$'000	*HK$'000*
0 – 90 days	**2,297**	53,436
91 – 180 days	**–**	3,385
Over 180 days	**7,948**	5,907
	10,245	62,728
Other payables, customers' deposits and accrued charges	**254,114**	264,097
	264,359	326,825

FINAL DIVIDEND

The Board declared the payment of a final dividend of HK$0.051 per share ("Final Dividend") for the year ended 31st March, 2006, amounting to approximately HK$68.7 million, subject to the approval of the shareholders at the forthcoming annual general meeting of the Company to be held on 24th August, 2006. The Company will issue a separate announcement later in respect of the Final Dividend payment date.

CLOSURE OF REGISTER OF MEMBERS

The Company will notify the shareholders of the Company later by a separate announcement in respect of the closure of register of members for the purpose of determining shareholders' entitlement to the Final Dividend.

MANAGEMENT DISCUSSION AND ANALYSIS

For the year ended March 31, 2006, the Group recorded turnover of HK$985.5 million, representing a decrease of 10% compared with HK$1.1 billion in the previous year. Profit attributable to shareholders was HK$532.4 million, a 14% rise over a restated HK$466.4 million in the previous year.

Turnover included HK$325.7 million from continuing operations and HK$659.9 million from discontinued operations. In 2005, the figures were HK$401.8 million for continuing operations and HK$745.4 million from discontinued operations. On March 31, 2006, the Group completed the disposal or discontinuation of non-core, loss-making operations, as part of a rationalization plan to focus on the Group's core businesses of property development and investment.

The Company did not record any substantial sales of properties during the Year, which resulted in a drop in turnover.

The rise in profit was due to increase in rental income and gains from the revaluation of the Group's existing investment properties and development projects in Hong Kong. All business segments – including the lease of properties, hotel operations as well as securities and consultancy services – enjoyed robust growth last year, in line with the Group's strategy to concentrate its resources and management efforts on these operations.

The Group also enjoyed contributions from its associate company, Emperor Entertainment Hotel Limited ("EEH"), whose principal hotel and gaming project in the Macau Special Administrative Region, namely the Grand Emperor Hotel commenced business in January 2006. It received a contribution of HK$57.9 million during the Year from EEH. The Group expected to see continuous healthy contributions from the Macau hotel in future.

OPERATIONAL REVIEW

Property Development and Investment

Property development and investment is the Group's core business. Rentals from investment properties had been the Group's main income stream. The increase in net rental income is attributable to the trend of rising rental rates upon expiry of old tenancies, as well as the growth in tourist spending and domestic consumption. The Group maintained a high overall occupancy rate for its retail properties, due to the prime location of the majority of these properties.

The total carrying value of the Group's property portfolio in Hong Kong, Macau and the People's Republic of China ("PRC") reached approximately HK$4.6 billion. These properties mainly consist of retail premises, offices, apartments and a hotel. During the Year, the Group did not have any substantial sales of properties.

Turnover from lease of investment properties rose 25% to approximately HK$130.5 million, compared with HK$104.7 million in 2005, while profit soared 33% to approximately HK$597.2 million, up from HK$450.4 million in 2005.

Amid a recovering property market in Hong Kong, the Group reported a revaluation gain of HK$370.7 million from investment properties and HK$104.0 million from its Repulse Bay project, which is under development. Profits excluding the revaluation gain were HK$122.5 million, compared with HK$90.2 million in 2005.

In general, the Group made positive and active progress in property development. In April 2006, the Group announced the acquisition of a piece of land in Beijing for the construction of a high-end commercial complex. The 88,420 square feet site commands prime frontage along Chan'an Avenue and is on the south side of Jianguomenwai Street, a famous tourist, shopping and office district between the second and third rings of Beijing. The investment represents the Group's expansion towards Beijing and hence the PRC property market. The complex upon completion will consist of a retail podium with high-end and luxury shops, restaurants, entertainment hot spots and car-park facilities, with a Grade-A office tower above.

Apart from its investment in Beijing, the Group has a residential development project in Xiamen. The Phase II development of Riverside Garden at Xiamen has been approved and superstructure work is scheduled to commence in August this year. The development is scheduled to be completed in 2008.

In Hong Kong, the Group completed during the Year the basement excavation and foundation work for the redevelopment at Repulse Bay. The site is for the development of a 151,000 square feet multifunctional recreation complex, which should generate long-term rental income. The project is expected to be completed in 2008.

Hotel

The Group experienced a turnaround for the Emperor (Happy Valley) Hotel during the Year. Turnover for the hotel was approximately HK$63.3 million, up from HK$51.9 million in 2005, with revenue mainly coming from the hotel's 150 guest rooms, karaoke lounge and coffee shop. The hotel enjoyed a profit of HK$4.1 million, as against a loss of HK$5.3 million in the previous corresponding period.

The hotel achieved an improvement in room rates and occupancy which reached approximately 94% on average.

It is particularly noteworthy that food and beverage business ("F&B") performed well, especially after the conversion of the 3rd Floor entertainment lounge into karaoke rooms, which was completed in December 2005. F&B turnover increased nearly 40% over the previous period.

Securities Brokerage and Consultancy Services

During the Year, turnover from this segment climbed 24% to HK$127.6 million, compared with HK$103.3 million in 2005. Profit rose by 10% to HK$78.9 million, up from HK$71.1 million in 2005. The result was boosted by the expansion of the commodity futures business in Japan and U.S. and the increase in the trading activity in Hong Kong in 2005, especially in initial public offerings and margin financial activities.

Non-core businesses disposed/discontinued

On March 31, 2006, the Group completed the disposal of non-core businesses to its major shareholder, in a bid to focus on major, more profitable operations. This included wholesaling and retailing of furniture, publishing and printing operations. The Group received approximately HK$106.0 million following completion of the disposal, which did not have any material impact on the net asset position of the Group and there was no material gain or loss recognised by the Group.

The Group also discontinued its marine products trading operation. The discontinuance realised financial resources of approximately HK$15 million for the Group.

The non-core businesses contributed a total turnover of HK$659.9 million in the Year, compared with HK$745.4 million in 2005, and a marginal profit of HK$2.5 million compared with a loss of HK$11.5 million previously. The disposal and discontinuation have realised capital resources of over HK$100 million for the Group, leaving the Group to focus management efforts on its major and higher profit margin businesses.

PROSPECTS

The Group made a significant decision during the Year to reposition itself as a property player, following the disposal and discontinuation of non-core businesses. This strategy allows the Group to re-allocate its financial and management resources to its core property operations. The disposal and discontinuation also helped the Group to realise its previous investment in these non-core businesses, with proceeds from the sales helping to strengthen the Group's financial position.

With respect to its property business, the Group plans to expand its property portfolio with a balanced mix across Hong Kong, Macau and the PRC. The Group continues to focus on developing and investing in high-end rental properties, with the Beijing Chang'an Avenue project as a showcase of the management's expertise and determination.

In Hong Kong, there is growing demand for new flats but land supply is limited and land acquisition costs are high. The Group has been working on the acquisition and assembly of various urban sites of up to 10,000 square feet, to be redeveloped into high-quality residential or composite complexes. The Group saw high potential in the residential market especially on Hong Kong Island, with the development of the new Island West and Island South lines of Mass Transit Railway.

With regard to its hotel operation, the Group expects the market to be increasingly competitive this year with the launch of new hotels in Hong Kong, resulting in higher hotel room supply. The Group will continue to make improvements in its operations and marketing strategies in order to remain competitive.

Looking ahead, the Group expects to receive ongoing profit contributions from its partially-owned gaming operation under EEH, as well as strong cashflow through dividends distributed by EEH. The Group will also closely monitor the performance of all its business segments to maximise returns for its shareholders and investors.

CAPITAL STRUCTURE, LIQUIDITY AND FINANCIAL RESOURCES
As at 31st March, 2006, the total external borrowings (excluding payables) amounted to approximately HK$1,616.6 million and the Group maintained a debt to equity ratio of 42.6% (measured by total external borrowings as a percentage to the net asset value of the Group). In addition to its share capital and reserves, the Group made use of cashflow generated from operations, bank borrowings and unsecured loans from a shareholder and related companies to finance its operations. The Group's bank borrowings were denominated in Hong Kong Dollars and their interest rates followed market rates. The Group's bank balances and cash were mostly Hong Kong dollars. The Group had no material exposure to fluctuations in exchange rates. Besides, the Group had contingent liabilities in respect of 4.4 million guarantees given to a bank in connection with mortgage loans granted to purchasers of the Group's properties totaling approximately HK$4.4 million.

STAFF COSTS
The total cost incurred for staff including directors' emoluments amounted to HK$296.0 million during the Year as compared with HK$287.1 million in the last corresponding period. The number of staff was approximately 300 as at the end of the year.

ASSETS PLEDGED
Assets with carrying value of HK$4,039.6 million were pledged as security for banking facilities.

CORPORATE GOVERNANCE
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 of Hong Kong Limited except that (i) the Non-executive Directors of the Company were not appointed for a specific term, however, in accordance with the bye-laws of the Company, one-third of the Directors for the time being shall retire from office by rotation (provided that every Director shall be subject to retirement at least once every three years) and be eligible for re-election at the annual general meeting of the Company; and (ii) the Chairperson had not attended the annual general meeting of the Company held on 25th August, 2005 as she was not in Hong Kong.

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.

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

Hong Kong, 19th July, 2006

As at the date hereof, the Board of the Company comprised 1. Chairperson and Non-Executive Director: Ms. Luk Siu Man, Semon; 2. Managing Directors: Mr. Wong Chi Fai and Ms. Fan Man Seung, Vanessa; 3. Executive Directors: Ms. Mok Fung Lin, Ivy and Mr. Chan Pak Lam, Tom; 4. Independent Non-Executive Directors: Mr. Chan Man Hon, Eric, Mr. Liu Hing Hung and Mr. Wan Chi Keung, Aaron.

* *for identification purposes only*

Please also refer to the published version of this announcement in China Daily.