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

(Incorporated in Bermuda with limited liability)

(Stock Code: 163)

ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31ST MARCH, 2009

FINANCIAL HIGHLIGHTS

For the year ended 31st March, 2009

	Lease of properties		Sales of properties		Property development		Hotel operations		Discontinued and others operations		Total	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Turnover	292,505	201,379	-	1,487,218	-	-	52,674	70,283	2,991	11,284	348,170	1,770,164
Contribution	261,534	184,568	-	600,000	(34,211)	(16,326)	9,129	9,037	1,341	3,388	237,793	780,667
Revaluation	(1,586,109)	743,945	-	4,112	(172,120)	(6,643)	-	-	-	-	(1,758,229)	741,414
Share of contribution by Emperor Entertainment Hotel Limited											12,529	77,412
(Loss) profit for the year attributable to equity holders of the Company											(1,536,985)	1,317,917

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, 2009 (“Year”) together with the comparative figures for the corresponding year in 2008 as set out below.

CONSOLIDATED INCOME STATEMENT

For the year ended 31st March, 2009

	Notes	2009 HK\$'000	2008 HK\$'000
Continuing operations			
Turnover		348,170	1,765,213
Cost of sales		(9,074)	(909,839)
Direct operating expenses		<u>(35,560)</u>	<u>(37,098)</u>
Gross profit		303,536	818,276
Other income		10,582	17,588
Fair value change in investment properties		(1,586,109)	743,945
Impairment losses, net	4	(172,120)	(10,131)
Selling and marketing expenses		(11,690)	(22,614)
Administrative expenses		(117,416)	(116,905)
Write back of allowance for doubtful debts of trade and other receivables, net		197	577
Finance costs		(122,932)	(137,705)
Share of results of associates		12,621	88,391
Discount on acquisition of additional interest in an associate		–	39,634
Gain on disposal of subsidiaries		–	3,777
Gain on disposal of investment properties		–	20,931
(Loss) profit before taxation	5	<u>(1,683,331)</u>	1,445,764
Taxation credit (charge)	6	<u>145,915</u>	<u>(129,663)</u>
(Loss) profit for the year from continuing operations		<u>(1,537,416)</u>	1,316,101
Profit for the year from discontinued operations		–	1,664
(Loss) profit for the year		<u><u>(1,537,416)</u></u>	<u><u>1,317,765</u></u>
Attributable to:			
Equity holders of the Company		(1,536,985)	1,317,917
Minority interests		(431)	(152)
		<u><u>(1,537,416)</u></u>	<u><u>1,317,765</u></u>
Dividends			
– Interim paid	7	–	71,010
– Final paid		110,065	106,515
		<u>110,065</u>	<u>177,525</u>
– Final proposed		–	110,065
		<u>–</u>	<u>110,065</u>
(Loss) earnings per share			
From continuing and discontinued operations	8		
Basic		(HK\$0.87)	HK\$0.79
Diluted		N/A	HK\$0.79
		<u>(HK\$0.87)</u>	<u>HK\$0.79</u>
From continuing operations			
Basic		(HK\$0.87)	HK\$0.79
Diluted		N/A	HK\$0.79
		<u>(HK\$0.87)</u>	<u>HK\$0.79</u>

CONSOLIDATED BALANCE SHEET

At 31st March, 2009

	<i>Note</i>	2009 HK\$'000	2008 <i>HK\$'000</i>
Non-current assets			
Investment properties		6,180,610	6,673,676
Property, plant and equipment		293,298	226,704
Properties under development		831,914	644,878
Deposits paid for acquisition of investment properties/properties, plant and equipment		32,830	91,891
Prepaid lease payments		734,067	671,834
Interests in associates		800,462	798,803
Amount due from an associate		2,645	2,645
Pledged bank deposit		220,934	271,229
Loans receivable		1,862	1,940
Goodwill		1,940	1,940
Other assets		4,442	4,442
		<hr/> 9,105,004	<hr/> 9,389,982
Current assets			
Inventories		543	619
Properties held for sale		27,055	26,714
Properties under development		1,019,476	788,742
Prepaid lease payments		14,550	12,825
Debtors, deposits and prepayments	9	140,295	107,752
Investments in trading securities		90	161
Taxation recoverable		10,293	200
Pledged bank deposits		–	419,963
Bank balances and cash		322,761	173,888
		<hr/> 1,535,063	<hr/> 1,530,864

CONSOLIDATED BALANCE SHEET (Continued)*At 31st March, 2009*

	<i>Note</i>	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
Current liabilities			
Creditors, customers' deposits and accrued charges	10	748,905	365,357
Amount due to a major shareholder		–	1,575,510
Amount due to a related company		1,880,980	–
Amount due to an associate		3	298
Amounts due to minority shareholders of subsidiaries		19,504	19,504
Taxation payable		4,320	3,212
Secured bank borrowings – due within one year		1,226,529	915,674
		3,880,241	2,879,555
Net current liabilities		(2,345,178)	(1,348,691)
Total assets less current liabilities		6,759,826	8,041,291
Non-current liabilities			
Secured bank borrowings – due after one year		1,794,586	1,316,762
Deferred taxation		173,274	324,036
		1,967,860	1,640,798
		4,791,966	6,400,493
Capital and reserves			
Share capital		17,752	17,752
Reserves		4,774,512	6,382,671
Equity attributable to the equity holders of the Company		4,792,264	6,400,423
Minority interests		(298)	70
		4,791,966	6,400,493

NOTES:

1. BASIS OF PREPARATION

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

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

In the current year, the Group has applied the following amendments and interpretations (“new HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) which are or have become effective.

HKAS 39 & HKFRS 7 (Amendments)	Reclassification of financial assets
HK(IFRIC)* – INT 12	Service concession arrangements
HK(IFRIC) – INT 14	HKAS 19 – The limit on a defined benefit asset, minimum funding requirements and their interaction

The adoption of the new HKFRSs had no material effect on how the results and financial position for the current or prior accounting periods have been prepared and presented. Accordingly, no prior period adjustment has been recognised.

The Group has not early applied the following new and revised standards, amendments or interpretations that have been issued but are not yet effective.

HKFRSs (Amendments)	Improvements to HKFRSs ¹
HKFRSs (Amendments)	Improvements to HKFRSs 2009 ²
HKAS 1 (Revised)	Presentation of financial statements ³
HKAS 23 (Revised)	Borrowing costs ³
HKAS 27 (Revised)	Consolidated and separate financial statements ⁴
HKAS 32 & 1 (Amendments)	Puttable financial instruments and obligations arising on liquidation ³
HKAS 39 (Amendment)	Eligible hedged items ⁴
HKFRS 1 & HKAS 27 (Amendments)	Cost of an investment in a subsidiary, jointly controlled entity or associate ³
HKFRS 2 (Amendment)	Vesting conditions and cancellations ³
HKFRS 3 (Revised)	Business combinations ⁴
HKFRS 7 (Amendment)	Improving disclosures about financial instruments ³
HKFRS 8	Operating segments ³
HK(IFRIC) – INT 9 & HKAS 39 (Amendments)	Embedded derivatives ⁵
HK(IFRIC) – INT 13	Customer loyalty programmes ⁶
HK(IFRIC) – INT 15	Agreements for the construction of real estate ³
HK(IFRIC) – INT 16	Hedges of a net investment in a foreign operation ⁷
HK(IFRIC) – INT 17	Distribution of non-cash assets to owners ⁴
HK(IFRIC) – INT 18	Transfer of assets from customers ⁸

- ¹ Effective for annual periods beginning on or after 1st January, 2009 except the amendments to HKFRS 5, effective for annual periods beginning on or after 1st July, 2009.
- ² Effective for annual periods beginning on or after 1st January, 2009, 1st July, 2009 and 1st January, 2010, as appropriate.
- ³ Effective for annual periods beginning on or after 1st January, 2009.
- ⁴ Effective for annual periods beginning on or after 1st July, 2009.
- ⁵ Effective for annual periods ending on or after 30th June, 2009.
- ⁶ Effective for annual periods beginning on or after 1st July, 2008.
- ⁷ Effective for annual periods beginning on or after 1st October, 2008.
- ⁸ Effective for transfers on or after 1st July, 2009.
- * IFRIC represents the International Financial Reporting Interpretations Committee.

The adoption of HKFRS 3 (Revised) may affect the Group's accounting treatment for 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 the Group's ownership interest in a subsidiary.

The application of the amendment to HKAS 40 "Investment Property" included in improvements to HKFRS will affect the accounting for property under construction or development for future use as an investment property of the Group. The amendment to HKAS 40 brings such property within the scope of HKAS 40 which, therefore, shall be accounted for under the fair value model in accordance with the Group's accounting policy. Such property is currently accounted for at cost less impairment in accordance with HKAS 16 "Property, Plant and Equipment". The amendment is to be applied prospectively and is effective for the Group's financial year beginning 1st April, 2009.

The application of HK(IFRIC) – INT 17 "Distribution of Non-cash assets to Owners" requires an entity to measure a liability to distribute non-cash assets as a dividend to its owners at the fair value of the assets to be distributed. HK(IFRIC) – INT 17 is to be applied prospectively and is effective for the Group's financial year beginning 1st April, 2010.

The Directors anticipate that the application of other new or revised standards, amendments or interpretations will have no material impact on the results and financial position of the Group.

3. BUSINESS AND GEOGRAPHICAL SEGMENTS

Business segments

Information about these business segments is as follows:

	Continuing operations				Consolidated HK\$'000
	Lease of properties HK\$'000	Sales of properties HK\$'000	Hotel operations HK\$'000	Consultancy and advisory services HK\$'000	
Year ended 31st March, 2009					
INCOME STATEMENT					
Turnover					
External sales	<u>292,505</u>	<u>-</u>	<u>52,674</u>	<u>2,991</u>	<u>348,170</u>
Segment results	<u>(1,489,731)</u>	<u>(38,388)</u>	<u>6,342</u>	<u>1,341</u>	<u>(1,520,436)</u>
Interest income					2,734
Unallocated corporate expenses, net					(55,318)
Finance costs					(122,932)
Share of results of associates					12,621
Loss before taxation					(1,683,331)
Taxation credit					145,915
Loss for the year					<u>(1,537,416)</u>
OTHER INFORMATION					
Capital additions					
– Segment*	1,379,626	-	282,823	-	1,662,449
– Corporate					91,792
					<u>1,754,241</u>
Depreciation and amortisation					
– Segment	1,011	-	6,375	-	7,386
– Corporate					17,848
					<u>25,234</u>
Release of prepaid lease payments					
– Segment	-	-	3,509	-	3,509
– Corporate					1,263
					<u>4,772</u>
Impairment losses, net	140,944	28,389	2,787	-	172,120
Fair value change in investment properties	(1,586,109)	-	-	-	<u>(1,586,109)</u>
Allowance for doubtful debts made (written back)					
– Segment	130	-	-	-	130
– Corporate					(327)
					<u>(197)</u>
At 31st March, 2009					
BALANCE SHEET					
Assets					
Segment assets	7,349,095	1,097,918	616,827	55	9,063,895
Interests in associates					800,462
Amount due from an associate					2,645
Unallocated corporate assets					773,065
Consolidated total assets					<u>10,640,067</u>
Liabilities					
Segment liabilities	331,776	398,390	4,686	-	734,852
Amount due to an associate					3
Unallocated corporate liabilities					5,113,246
Consolidated total liabilities					<u>5,848,101</u>

* Capital additions in Hotel operations segment include transfer of HK\$88,809,000 from properties under development for sale purposes.

	Continuing operations					Discontinued operations			Consolidated HK\$'000
	Lease of properties HK\$'000	Sales of properties HK\$'000	Hotel operations HK\$'000	Consultancy and advisory services HK\$'000	Total HK\$'000	Securities brokerage HK\$'000	Financing HK\$'000	Total HK\$'000	
Year ended 31st March, 2008									
INCOME STATEMENT									
Turnover									
External sales	201,379	1,487,218	70,283	6,333	1,765,213	3,803	1,148	4,951	1,770,164
Segment results*	942,765	566,891	9,037	1,724	1,520,417	941	723	1,664	1,522,081
Interest income					5,230			-	5,230
Unallocated corporate expenses – net					(73,980)			-	(73,980)
Finance costs					(137,705)			-	(137,705)
Gain on disposal of subsidiaries					3,777			-	3,777
Discount on acquisition of additional interest in an associate					39,634			-	39,634
Share of results of associates					88,391			-	88,391
Profit before taxation					1,445,764			1,664	1,447,428
Taxation					(129,663)			-	(129,663)
Profit for the year					1,316,101			1,664	1,317,765

* Finance cost of HK\$425,000 was included in Financing segment results.

OTHER INFORMATION

Capital additions									
– Segment	2,264,406	-	50	-	2,264,456	-	-	-	2,264,456
– Corporate					56,668			-	56,668
					2,321,124			-	2,321,124
Depreciation and amortisation									
– Segment	4,781	-	9,430	-	14,211	59	-	59	14,270
– Corporate					6,021			-	6,021
					20,232			59	20,291
Release of prepaid lease payments									
– Segment	-	-	4,168	-	4,168	-	-	-	4,168
– Corporate					1,262			-	1,262
					5,430			-	5,430
Impairment losses, net									
– Segment	-	2,531	-	-	2,531	-	-	-	2,531
– Corporate					7,600			-	7,600
					10,131			-	10,131
Fair value change in investment properties									
	743,945	-	-	-	743,945	-	-	-	743,945
Allowance for doubtful debts made (written back)									
– Segment	100	-	-	-	100	-	-	-	100
– Corporate					(677)			-	(677)
					(577)			-	(577)

	Lease of properties <i>HK\$'000</i>	Sales of properties <i>HK\$'000</i>	Hotel operations <i>HK\$'000</i>	Consultancy and advisory services <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
At 31st March, 2008					
BALANCE SHEET					
Assets					
Segment assets	7,889,353	830,944	344,370	698	9,065,365
Interests in associates					798,803
Amounts due from associates					2,645
Unallocated corporate assets					1,054,033
					<u>10,920,846</u>
Consolidated total assets					
					<u><u>10,920,846</u></u>
Liabilities					
Segment liabilities	295,268	47,923	4,528	-	347,719
Amount due to an associate					298
Unallocated corporate liabilities					4,172,336
					<u>4,520,353</u>
Consolidated total liabilities					
					<u><u>4,520,353</u></u>

Geographical segments

The following table provides an analysis of the Group's turnover by geographical market.

	Turnover	
	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
Hong Kong	335,638	1,762,570
Macau	12,532	7,594
The People's Republic of China (the "PRC")	-	-
	<u>348,170</u>	<u>1,770,164</u>

The following is an analysis of the carrying amount of segment assets, and additions to investment properties, prepaid lease and properties under development.

	Carrying amounts of segments		Capital additions	
	2009	2008	2009	2008
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Hong Kong	7,724,397	7,774,373	1,549,842	1,794,914
Macau	585,722	634,921	139,512	459,072
PRC	753,776	656,071	64,887	67,138
	<u>9,063,895</u>	<u>9,065,365</u>	<u>1,754,241</u>	<u>2,321,124</u>

4. IMPAIRMENT LOSSES, NET

	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
Impairment losses (recognised) reversed in respect of:		
Properties under development	(29,286)	(6,643)
Prepaid lease payments	(142,834)	–
Motor vehicle registration marks	–	(7,600)
Properties held for sale	–	4,112
	<u>(172,120)</u>	<u>(10,131)</u>

During the year, the estimate recoverable amounts of certain properties under development and prepaid lease are less than the corresponding carrying values, and impairment loss was recognised with reference to the current market environment, estimate net realisable values and expected rental yield.

In previous years, the estimate recoverable amount of certain properties held for sale was less than the corresponding carrying value, and impairment loss was recognised for these properties. The management reviewed the recoverability of these properties with reference to the current market environment and considered to reverse the impairment. The carrying amount of the properties was increased to the revised estimated recoverable amount but did not exceed the cost of these properties.

5. (LOSS) PROFIT BEFORE TAXATION

	Continuing operations		Discontinued operations		Consolidated	
	2009	2008	2009	2008	2009	2008
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
(Loss) profit before taxation has been arrived at after charging:						
Auditor's remuneration	2,667	2,685	-	-	2,667	2,685
Depreciation	25,234	20,232	-	59	25,234	20,291
Release of prepaid lease payments	4,772	5,430	-	-	4,772	5,430
Loss on disposal of property, plant and equipment	-	3,136	-	-	-	3,136
Change in fair value in trading securities	71	-	-	-	71	-
Operating lease rentals in respect of rented premises	2,067	2,373	-	-	2,067	2,373
Share of tax of associates (included in share of results of associates)	3,380	15,008	-	-	3,380	15,008
Staff costs, including directors' remuneration and retirement benefit scheme contributions	93,736	113,660	-	2,899	93,736	116,559
and after crediting:						
Gross rental income less outgoings of approximately HK\$16,027,000 (2008: HK\$10,048,000)	276,478	191,331	-	-	276,478	191,331
Gain on disposal of property, plant and equipment	2	-	-	-	2	-
Discount on deemed acquisition of additional interest in a subsidiary	-	432	-	-	-	432
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

6. TAXATION CREDIT (CHARGE)

	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
The credit (charge) comprises:		
Current tax		
Hong Kong Profits Tax	<u>(4,566)</u>	<u>(5,248)</u>
Over(under) provision in prior years		
Hong Kong Profits Tax	348	75
PRC Enterprise Income Tax	<u>–</u>	<u>(40)</u>
	<u>348</u>	<u>35</u>
	<u>(4,218)</u>	<u>(5,213)</u>
Deferred taxation		
Credit (charge) for the year	131,617	(124,450)
Change in tax rate	<u>18,516</u>	<u>–</u>
	<u>150,133</u>	<u>(124,450)</u>
	<u>145,915</u>	<u>(129,663)</u>

On 26th June, 2008, the Hong Kong Legislative Council passed the Revenue Bill 2008 which reduced corporate profits tax rate from 17.5% to 16.5% effective from the year of assessment 2008/2009. Therefore, Hong Kong Profits Tax is calculated at 16.5% (2008: 17.5%) of the estimated assessable profit for the year.

The PRC Enterprise Income Tax is calculated at the rates prevailing in the PRC.

7. DIVIDENDS

	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
Recognised as distribution:		
No interim dividend was paid for 2009 (2008: HK\$0.04 per share)	–	71,010
Final dividend for previous financial year of HK\$0.062 (2007: HK\$0.06) per share	<u>110,065</u>	<u>106,515</u>
	<u>110,065</u>	<u>177,525</u>
Proposed:		
No final dividend was proposed for 2009 (2008: HK\$0.062 per share)	<u>–</u>	<u>110,065</u>

In addition, a special dividend in specie of one ordinary share in Emperor Capital Group Limited for every five shares held in the Company was distributed in April 2007, amounting to HK\$211,254,000 measured at carrying values to assets distributed.

The directors do not propose any final dividend for the year ended 31st March, 2009.

8. (LOSS) EARNINGS PER SHARE

From continuing and discontinued operations

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

	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
(Loss) earnings		
(Loss) earnings for the purpose of basic and diluted earnings per share	<u><u>(1,536,985)</u></u>	<u><u>1,317,917</u></u>
	2009	2008
Number of shares		
Weighted average number of ordinary shares for the purpose of basic (loss) earnings per share	<u><u>1,775,246,134</u></u>	1,668,385,380
Effect of dilutive potential ordinary shares of share options	<u><u>–</u></u>	<u><u>6,561,575</u></u>
Weighted average number of ordinary shares for the purpose of diluted (loss) earnings per share	<u><u>1,775,246,134</u></u>	<u><u>1,674,946,955</u></u>

No diluted loss per share has been presented in the current year as the exercise price of the Company's options was higher than average market price of the shares for the year ended 31st March, 2009.

No effect on (loss) earnings due to the dilutive potential share on the share of results of a listed associate has been presented as the exercise price of these potential ordinary shares of the associate was higher than the average market price of the shares of the associate for both years.

From continuing operations

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

	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
(Loss) profit for the year attributable to equity holders of the Company	(1,536,985)	1,317,917
Less: Profit for the year from discontinued operations	–	1,664
	<hr/>	<hr/>
(Loss) earnings for the purpose of basic and dilutive (loss) earnings per share from continuing operations	<u>(1,536,985)</u>	<u>1,316,253</u>

The denominators used are the same as those detailed above for both basic and diluted earnings per share.

From discontinued operations

Basic earnings per share for discontinued operations for the year ended 31st March, 2008 was HK\$0.001 per share and diluted earnings per share for the discontinued operations for the year ended 31st March, 2008 was HK\$0.001, based on the profit for the year ended 31st March, 2008 from discontinued operations of HK\$1,664,000 and the denominators detailed above for both basic and diluted earnings per share.

9. DEBTORS, DEPOSITS AND PREPAYMENTS

An analysis of debtors, deposits and prepayments is as follows:

	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
Debtors, net carrying values	4,015	6,739
Other receivables, net carrying values	114,538	78,756
Deposits and prepayments	21,742	22,257
	<hr/>	<hr/>
	<u>140,295</u>	<u>107,752</u>

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

	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
0 – 30 days	2,649	5,674
31 – 90 days	1,174	505
91 – 180 days	64	325
Over 180 days	128	235
	<hr/>	<hr/>
	<u>4,015</u>	<u>6,739</u>

No credit period were granted to tenants of rental of premises. Before accepting any new tenant, the Group will internally access the credit quality of the potential tenants.

No credit period were granted to hotel customers generally except for those high credit rating customers to which an average credit period of 30 days were granted.

Included in other receivables are amounts due from related companies of HK\$18,409,000 (2008: HK\$25,024,000). These related companies are companies in which a deemed substantial shareholder of the Company has beneficial interest.

10. CREDITORS, CUSTOMERS' DEPOSITS AND ACCRUED CHARGES

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

	2009	2008
	<i>HK\$'000</i>	<i>HK\$'000</i>
0 – 90 days	3,867	4,584
91 – 180 days	54	31
Over 180 days	20	87
	<hr/>	<hr/>
	3,941	4,702
Other creditors	217,831	200,838
Deposits received from pre-sales of properties	373,615	–
Customers' deposits and accrued charges	153,518	159,817
	<hr/>	<hr/>
	748,905	365,357
	<hr/> <hr/>	<hr/> <hr/>

MANAGEMENT DISCUSSION AND ANALYSIS

Overview

The Group's underlying profit for the 12 months ended 31st March, 2009 excluding the effects of fair value changes of its investment properties, properties under development and share of results of associates, amounted to HK\$208.6 million, a decrease of 57.3% compared to HK\$488.1 million in the same period in previous year.

For the Year, the Group recorded total revenue of approximately HK\$348.2 million, compared with HK\$1,770.2 million for the same period in the previous year. The property market had been encumbered by the global economic downturn, rising unemployment and market uncertainties. The Group did not sell any property during the Year, versus sales revenue of HK\$1,487.2 million in the previous year.

The contraction of global economy and equity markets had triggered an abrupt downturn in the general property market condition in Hong Kong in the second half of 2008. The Group recorded a loss of HK\$1,586.1 million (2008: gain of HK\$743.9 million) from fair value change of its investment properties for the Year, which had incorporated substantial revaluation gain from the booming property market in recent years. The Group had also made an impairment loss of HK\$172.1 million (2008: HK\$6.6 million) in respect of its properties under development in Hong Kong and PRC, after taking into account market valuation of the projects.

Although these losses had materially adversely impacted on the profit and loss of the Group, the Group's investment properties continued to generate stable rental income. The high-quality investment property portfolio, which benefited from their prime locations in Hong Kong and Macau as well as continuing positive rental reversions and contribution from new properties, had delivered a growth in rental revenue of a 45.2% year-on-year to HK\$292.5 million (2008: HK\$201.4 million).

On the other hand, the Group saw a drop in contribution from its associate company, Emperor Entertainment Hotel Limited to HK\$12.5 million during the Year (2008: HK\$77.4 million), mainly due to a drop in the operating profit and fair value change of Grand Emperor Hotel in Macau.

Therefore, the Group reported for the Year a loss attributable to equity holders of HK\$1,537.0 million (2008: profit of HK\$1,317.9 million) and loss per share of HK\$0.87 (2008: earnings per share of HK\$0.79).

As at 31st March 2009, the Group's net asset value amounted to HK\$4,792.0 million.

MANAGEMENT DISCUSSION AND ANALYSIS (*Continued*)

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 amounted to HK\$292.5 million, approximately 45.2% up from HK\$201.4 million for the same period in 2008.

The Group's investment property portfolio mainly consists of shops and offices in Hong Kong and Macau. The Group had a sustainable overall occupancy rate of nearly 98% for its retail properties as at 31 March, 2009, attributable to the prime locations of the majority of the Group's retail properties. Key investment properties include the shopping mall at Emperor Group Centre in Wanchai, Emperor Plaza in Tsuen Wan, a number of shops and a mall at Russell Street, Causeway Bay and Emperor International Square in Kowloon Bay, which was acquired in the early half of the Year. The Group had been receiving stable rental income from the investment properties. It had exerted ongoing effort in upgrading the quality of its properties to enhance the value of its property portfolio and boost the rental income.

The Group took the Year to consolidate its property portfolio, while remained cautious amid the market uncertainties. On the other hand, the Group had seized the chance to acquire a number of properties during the property market correction. In addition to the Emperor International Square, the Group had also acquired additional shops in Hong Kong, which are expected to generate stable rental revenue in the long term.

On the investment development front, the Group has a multi-function beach-front leisure and recreation complex in Repulse Bay. The project, which provides a total gross floor area of approximately 166,835 square feet, is virtually completed. The Group has been in negotiation with the Government to clarify whether the Group needs to pay premium for use of the current building and an originating summons has been taken out by the Group to seek clarification from the court. A court hearing is scheduled in Fall 2009. Following resolution of the matter, it is expected that the property will generate long-term rental income for the Group.

In the PRC, the Group had an approximately 88,417 square feet site along Chang'an Avenue East in Beijing, which was planned to be developed into a comprehensive commercial complex. The project is intended to provide a total gross floor area of approximately 636,465 square feet, comprising a retail podium with high-end entertainment hot spots and a Grade-A office tower. Clearance work was in progress during the Year.

Property Development

The Group is optimistic towards the property market in Hong Kong in the long term, where land supply is limited and there is an increasing demand for new flats especially on Hong Kong Island with low completion volume for private residential units in the coming years.

MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

The Group has expanded its site in Des Voeux Road West, Western District from previously 11,833 square feet to 14,061 square feet until mid-June 2009. The site is expected to be developed into a residential development to provide a total gross floor area of approximately 112,000 square feet, capturing the rising demand of high quality, seaview residential units on Hong Kong Island. Demolition had been underway during the Year and the whole project is expected to complete in 2013.

The Group has a redevelopment site at Shing On Street, Sai Wan Ho. This approximately 4,382 square feet site will provide a single residential tower block with a total gross floor area of approximately 44,000 square feet. The Group had started construction during the Year and the project is expected to be completed in 2012.

The Group had also acquired full interest of a site on Java Road, North Point which it previously owned 66%, from its joint venture partner. The Group plans to develop a four-star hotel offering gross floor area of approximately 103,000 square feet. The management saw an increase in demand for hotel rooms in Hong Kong with competitive rates and accessible locations. The Group had commenced construction and the project is expected to be completed in 2012.

The Group acquired a site on Prince Edward Road West in Kowloon during the Year, and planned to develop the 3,319 square feet site into a multi-storey residential/commercial block with a total gross floor area of approximately 29,870 square feet. The development of the Shatin-to-Central Rail Link will substantially increase the locational accessibility of this property. Demolition work will commence later this year and development of the site is to be completed in 2012.

In the PRC, the Group has a commercial/residential composite development project underway in Xiamen, known as Emperor Lakeside Metropolis which is expected to be completed within 2009. The Group commenced pre-sale of the residential units during the Year, with 96% of the units being pre-sold as in June 2009.

As at the end of the Year, the Group had a land bank in Hong Kong, Macau and PRC of approximately 700,000 square feet, comprising land being acquired for development and redevelopment.

Hotel

The Emperor (Happy Valley) Hotel in Hong Kong had recorded a steady performance within management's expectation during the Year in the midst of the adverse factors of tightening visa controls for Beijing Olympics, change of Hong Kong and Macau Individual Visitation Scheme, and decreasing number of visitors resulted from the financial tsunami. Revenue, which mainly came from the hotel's 150 guest rooms as well as food and beverage from the Chinese restaurant and coffee shop, reached approximately HK\$52.7 million (2008: HK\$70.3 million). The hotel had implemented cost cutting measures and streamlined its operation that resulted in an improved margin during the Year.

MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

The hotel had developed more channels to cooperate with trade parties to boost sales from corporate clients and Internet booking from overseas and PRC. It continued to upgrade its facilities to enhance satisfaction of hotel guests. The hotel was well received as value for money in the market.

The hotel saw a revenue mix of corporate business and tour groups of 80:20, against 75:25 previously. This revenue mix would render the revenue stream of the hotel more stable and balanced in the long run.

Prospects

Since the financial tsunami and global credit crunch erupted in September 2008, the property market in Hong Kong was expected to undergo a correction with high volatility. The Group had planned and executed measures to maintain and secure a stable rental income and occupancy of its investment properties. Although the local property market had rebounded since early 2009, being triggered partly by the rally in the stock market and negligible returns from bank deposits, the general property market condition remained uncertain, amid an unstable global financial system and sharp contraction in the global spendings.

Yet, retail properties are seen to be comparatively less affected by the economy as rental is backed by stable property price due to low market supply. In the long term, the Group is positive towards the property and hotel market in Hong Kong, Macau and the PRC. The Group will continue to consolidate and upgrade its property portfolio as well as optimise the tenant mix in order to achieve higher yields from rental income. Backed by stable cashflow and a healthy balance sheet with low gearing, the Group will closely monitor the market development and capture opportunities for replenishing its land bank for redevelopment and development projects in Hong Kong and Mainland China.

For its hotel operation, the Group will keep its market intelligence-oriented strategies to respond to market changes with competitive offers. The Group will also upgrade its room amenities and facilities as well as enhance loyalty privileges and rate discounts to strengthen relationship with its major accounts and customers.

Looking ahead, the Board will continue to monitor the share price of the Company and its underlying net asset value on a regular basis. The Board will consider repurchasing its own shares on the Stock Exchange when the share price represents an attractive discount to its net asset value.

MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

Capital Structure, Liquidity And Financial Resources

As at 31st March, 2009, the total external borrowings (excluding payables) amounted to approximately HK\$4,921.6 million and the Group maintained a debt to total assets ratio of 46.3% (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 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 no material contingent liabilities as at the year end date.

Assets Pledged

Assets with carrying value of approximately HK\$6,771 million were pledged as security for banking facilities.

Employees and Remuneration Policy

The Group's number of employees was approximately 330 (2008: approximately 350) as at 31st March, 2009. Total staff cost (including directors' emoluments) for the Year were approximately HK\$93.7 million (2008: HK\$116.6 million). All employees are under remuneration policy of fixed monthly salary with discretionary bonus. Staff benefits include contributions to retirement benefit scheme, medical allowances and other fringe benefits.

To provide incentives or rewards to 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, 2009 was 37,500,000 share options.

FINAL DIVIDEND

The Board did not recommend the payment of a final dividend for the year ended 31st March, 2009 (2008: HK\$0.062 per share).

REVIEW OF ANNUAL RESULTS

The annual results for the Year have been reviewed by the audit committee of the Company, which comprises 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 the rules governing dealings by the Directors in the listed securities of the Company. 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, 24th June, 2009

As at the date hereof, the Board of the Company 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>

* *for identification purposes only*