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 31 MARCH 2012

FINANCIAL HIGHLIGHTS

For the year ended 31 March 2012

	2012	2011
	HK$'000	*HK$'000*
Revenue		
Lease of properties	**489,968**	413,798
Properties development	**636,682**	20,759
Hotel and hotel related operations	**1,832,953**	1,350,290
Total Revenue	**2,959,603**	1,784,847
Segment Profit		
Lease of properties	**459,728**	392,670
Properties development	**154,784**	(111,650)
Hotel and hotel related operations	**711,160**	395,710
Total Segment Profit	**1,325,672**	676,730
Revaluation gain on properties	**3,976,215**	3,278,493
Profit for the year attributable to owners of the Company	**4,459,091**	3,444,702
Earnings per share		
Basic	**HK$1.22**	HK$1.00
Diluted	**HK$1.22**	HK$1.00

* *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 31 March 2012 ("Year") together with the comparative figures for the corresponding year in 2011 as set out below.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2012

	Note	**2012** ***HK$'000***	2011 *HK$'000*
Revenue	3	**2,959,603**	1,784,847
Cost of sales		**(375,737)**	(13,283)
Cost of hotel and hotel related operations		**(446,585)**	(416,108)
Direct operating expenses		**(27,594)**	(25,672)
Gross profit		**2,109,687**	1,329,784
Other income		**39,583**	32,655
Other gains and losses		**4,531**	974
Fair value change in investment properties		**3,975,065**	3,277,519
Selling and marketing expenses		**(600,120)**	(480,950)
Administrative expenses		**(283,614)**	(260,402)
Finance costs		**(164,817)**	(99,407)
Share of result of an associate		**17**	30
Profit before taxation	4	**5,080,332**	3,800,203
Taxation charge	5	**(154,392)**	(99,373)
Profit for the Year		**4,925,940**	3,700,830

	Note	2012 HK$'000	2011 HK$'000
Other comprehensive income			
Exchange differences arising on translation of foreign subsidiaries		**86,546**	68,129
Total comprehensive income for the year		**5,012,486**	3,768,959
Profit for the year attributable to:			
Owners of the Company		**4,459,091**	3,444,702
Non-controlling interests		**466,849**	256,128
		4,925,940	3,700,830
Total comprehensive income attributable to:			
Owners of the Company		**4,545,562**	3,507,846
Non-controlling interests		**466,924**	261,113
		5,012,486	3,768,959
Earnings per share	7		
Basic		**HK$1.22**	HK$1.00
Diluted		**HK$1.22**	HK$1.00

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2012

	Note	2012 HK$'000	2011 HK$'000
Non-current assets			
Investment properties		**22,745,890**	17,928,096
Property, plant and equipment		**2,322,137**	1,673,463
Deposits paid for acquisition of investment properties/property, plant and equipment		**121,492**	386,162
Prepaid lease payments		**309,846**	318,414
Interest in an associate		**189**	172
Amount due from an associate		**436**	2,645
Deposits in designated bank account for development properties		**56,017**	39,835
Loans receivables		**–**	178,003
Goodwill		**56,683**	56,683
Other assets		**4,442**	4,442
		25,617,132	20,587,915
Current assets			
Inventories		**13,144**	8,153
Properties held for sale		**94,591**	6,720
Properties under development		**3,083,088**	2,654,075
Prepaid lease payments		**8,568**	8,568
Trade and other receivables	8	**915,696**	922,330
Investments in trading securities		**1**	1
Derivative financial instruments		**2,241**	–
Taxation recoverable		**2,966**	58
Pledged bank deposit		**300**	300
Short-term bank deposits		**501,923**	–
Bank balances and cash		**1,315,914**	1,097,053
		5,938,432	4,697,258
Asset classified as held for sale		**1,450,000**	–
		7,388,432	4,697,258

	Note	2012 HK$'000	2011 HK$'000
Current liabilities			
Trade and other payables	9	**2,862,882**	1,670,370
Amount due to a related company		**372,306**	354,919
Amounts due to non-controlling interests of subsidiaries		**249,191**	203,451
Derivative financial instruments		**1,952**	–
Taxation payable		**228,760**	164,730
Secured bank borrowings – due within one year		**2,500,560**	1,444,112
		6,215,651	3,837,582
Net current assets		**1,172,781**	859,676
Total assets less current liabilities		**26,789,913**	21,447,591
Non-current liabilities			
Amount due to a related company		**3,282,162**	2,247,790
Amounts due to non-controlling interests of subsidiaries		**–**	72,983
Derivative financial instruments		**23,195**	–
Secured bank borrowings – due after one year		**3,859,267**	4,228,511
Deferred taxation		**408,976**	338,757
		7,573,600	6,888,041
		19,216,313	14,559,550
Capital and reserves			
Share capital		**36,668**	36,668
Reserves		**17,458,633**	13,175,593
Equity attributable to owners of the Company		**17,495,301**	13,212,261
Non-controlling interests		**1,721,012**	1,347,289
		19,216,313	14,559,550

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 of Hong Kong Limited (the "Listing Rules") and by the Hong Kong Companies Ordinance. The consolidated financial statements have been prepared on the historical cost basis 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.

Amendments to HKFRSs	Improvements to HKFRSs issued in 2010
HKAS 24 (as revised in 2009)	Related party disclosures
Amendments to HK(IFRIC) – INT 14	Prepayments of a minimum funding requirement
HK(IFRIC) – INT 19	Extinguishing financial liabilities with equity instruments

In prior year, the Group has early adopted the Amendments to HKAS 12 "Income taxes", in respect of the recognition of deferred tax on investment properties carried at fair value under HKAS 40 "Investment property".

The application of the new and revised HKFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and on the disclosures set out in these consolidated financial statements.

New and revised HKFRSs in issue but not yet effective

The Group has not early applied the following New and Revised HKFRSs that have been issued but are not yet effective:

Amendments to HKFRSs	Annual improvements to HKFRSs 2009-2011 cycle[1]
Amendments to HKFRS 7	Disclosures – Transfers of financial assets[1]
Amendments to HKFRS 7	Disclosures – Offsetting financial assets and financial liabilities[2]
Amendments to HKFRS 9 and HKFRS 7	Mandatory effective date of HKFRS 9 and transition disclosures[3]
HKFRS 9	Financial instruments[3]
HKFRS 10	Consolidated financial statements[2]
HKFRS 11	Joint arrangements[2]
HKFRS 12	Disclosure of interests in other entities[2]
HKFRS 13	Fair value measurement[2]
Amendments to HKAS 1	Presentation of items of other comprehensive income[4]
HKAS 19 (as revised in 2011)	Employee benefits[2]
HKAS 27 (as revised in 2011)	Separate financial statements[2]

HKAS 28 (as revised in 2011)	Investments in associates and joint ventures[2]
Amendments to HKAS 32	Offsetting financial assets and financial liabilities[5]
HK(IFRIC) – INT 20	Stripping costs in the production phase of a surface mine[2]

[1] Effective for annual periods beginning on or after 1 July 2011.
[2] Effective for annual periods beginning on or after 1 January 2013.
[3] Effective for annual periods beginning on or after 1 January 2015.
[4] Effective for annual periods beginning on or after 1 July 2012.
[5] Effective for annual periods beginning on or after 1 January 2014.

New and revised Standards on consolidation, joint arrangements, associates and disclosures

In June 2011, a package of five standards on consolidation, joint arrangements, associates and disclosures was issued, including HKFRS 10, HKFRS 11, HKFRS 12, HKAS 27 (as revised in 2011) and HKAS 28 (as revised in 2011).

Key requirements of these five standards are described below.

HKFRS 10 replaces the parts of HKAS 27 "Consolidated and separate financial statements" that deal with consolidated financial statements and HK(SIC) – INT 12 "Consolidation – Special purpose entities". HKFRS 10 includes a new definition of control that contains three elements: (a) power over an investee, (b) exposure, or rights, to variable returns from its involvement with the investee, and (c) the ability to use its power over the investee to affect the amount of the investor's returns. Extensive guidance has been added in HKFRS 10 to deal with complex scenarios.

HKFRS 11 replaces HKAS 31 "Interests in joint ventures" and HK(SIC) – INT 13 "Jointly controlled entities – Non-monetary contributions by venturers". HKFRS 11 deals with how a joint arrangement of which two or more parties have joint control should be classified. Under HKFRS 11, joint arrangements are classified as joint operations or joint ventures, depending on the rights and obligations of the parties to the arrangements. In contrast, under HKAS 31, there are three types of joint arrangements: jointly controlled entities, jointly controlled assets and jointly controlled operations.

In addition, joint ventures under HKFRS 11 are required to be accounted for using the equity method of accounting, whereas jointly controlled entities under HKAS 31 can be accounted for using the equity method of accounting or proportionate accounting.

HKFRS 12 is a disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the disclosure requirements in HKFRS 12 are more extensive than those in the current standards.

These five standards are effective for the Group's annual periods beginning 1 April 2013. Earlier application is permitted provided that all of these five standards are applied early at the same time.

Currently the Group has accounted for its property development in Shanghai as a jointly controlled operation. The Directors anticipate that these five standards will be adopted in the Group's consolidated financial statements for the annual period beginning 1 April 2013 and that the application of these five standards is not expected to have material impact on the results and financial position of the Group. The application of HKFRS 12 will result in more extensive disclosures relating to non-controlling interests of the Company's subsidiaries in the consolidated financial statements. The application of these five standards will have no significant impact on amounts reported in the consolidated financial statements.

HKFRS 13 "Fair value measurement"

HKFRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The standard defines fair value, establishes a framework for measuring fair value, and requires disclosures about fair value measurements. The scope of HKFRS 13 is broad; it applies to both financial instrument items and non-financial instrument items for which other HKFRSs require or permit fair value measurements and disclosures about fair value measurements, except in specified circumstances. In general, the disclosure requirements in HKFRS 13 are more extensive than those in the current standards. For example, quantitative and qualitative disclosures based on the three-level fair value hierarchy currently required for financial instruments only under HKFRS 7 "Financial instruments: Disclosures" will be extended by HKFRS 13 to cover all assets and liabilities within its scope.

HKFRS 13 is effective for the Group's annual periods beginning 1 April 2013, with earlier application permitted.

The Directors anticipate that HKFRS 13 will be adopted in the Group's consolidated financial statements for the annual period beginning 1 April 2013 and that the application of the new Standard is not expected to have material impact on the amounts reported in the consolidated financial statements but may result in more extensive disclosures in the consolidated financial statements.

Amendments to HKAS 1 "Presentation of items of other comprehensive income"

The amendments to HKAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to HKAS 1 require additional disclosures to be made in the other comprehensive income section such that items of other comprehensive income are grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss; and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis.

The amendments to HKAS 1 are effective for the Group's annual periods beginning 1 April 2013. The presentation of items of other comprehensive income will be modified accordingly when the amendments are applied in the future accounting periods.

Amendments to HKAS 32 "Offsetting financial assets and financial liabilities" and amendments to HKFRS 7 "Disclosures – Offsetting financial assets and financial liabilities"

The amendments to HKAS 32 clarify existing application issues relating to the offsetting requirements. Specifically, the amendments clarify the meaning of "currently has a legally enforceable right of set-off" and "simultaneous realisation and settlement".

The amendments to HKFRS 7 require entities to disclose information about rights of offset and related arrangements (such as collateral posting requirements) for financial instruments under an enforceable master netting agreement or similar arrangement.

The amended offsetting disclosures are required for the Group's annual period beginning 1 April 2013 and interim periods within those annual periods. The disclosures should also be provided retrospectively for all comparative periods. However, the amendments to HKAS 32 are not effective until the Group's annual periods beginning 1 April 2014, with retrospective application required.

The Directors of the Company anticipate that the application of the other new or revised standards and Interpretations will have no material impact in the consolidated financial statements.

3. SEGMENT INFORMATION

The Group's operating and reportable segments are lease of properties, properties development and hotel and hotel related operations for the purpose of resources allocation and assessment of performance.

The segment information reported externally was analysed on the basis of their products and services supplied by the Group's operating divisions which is consistent with the internal information that are regularly reviewed by the Executive Directors of the Company (the "Executive Directors"), the chief operating decision maker, for the purposes of resource allocation and assessment of performance. This is also the basis of organisation in the Group, whereby the management has chosen to organise the Group around differences in products and services.

Principal activities of the operating and reportable 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 casinos of the Grand Emperor Hotel

The Executive Directors review the hotel and hotel related operations of Emperor Entertainment Hotel Limited ("Emperor EH") in Macau along with the Group's existing hotel operation – 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 result of an associate, gain on disposal of a subsidiary and net loss on fair value changes in derivative financial instruments. This is the measure reported to the Executive Directors for the purpose of resource allocation and performance assessment.

Information regarding the above segments is reported below.

Business segments

Information about these business segments is as follows:

	Lease of properties *HK$'000*	Properties development *HK$'000*	Hotel and hotel related operations *HK$'000*	Total *HK$'000*
For the year ended 31 March 2012				
Segment revenue and results				
Segment revenue from external customers	**489,968**	**636,682**	**1,832,953**	**2,959,603**
Segment results	**4,434,793**	**155,934**	**711,160**	**5,301,887**
Interest income				**18,180**
Unallocated corporate expenses, net				**(78,316)**
Gain on disposal of a subsidiary				**26,287**
Net loss on fair value changes in derivative financial instruments				**(22,906)**
Finance costs				**(164,817)**
Share of result of an associate				**17**
Profit before taxation				**5,080,332**
Taxation charge				**(154,392)**
Profit for the Year				**4,925,940**
Other information				
Amounts included in the measure of segment results:				
Depreciation of property, plant and equipment	**–**	**980**	**98,005**	**98,985**
Release of prepaid lease payments	**–**	**–**	**8,568**	**8,568**
Reversal of write-downs of properties under development for sale	**–**	**1,150**	**–**	**1,150**
Fair value increase in investment properties	**3,975,065**	**–**	**–**	**3,975,065**

Amounts regularly provided to the Executive Directors but not included in the measure of segment results (included in unallocated corporate expenses, net):

	HK$'000
Allowance for bad and doubtful debts	**7**
Depreciation	**15,216**

	Lease of properties *HK$'000*	Properties development *HK$'000*	Hotel and hotel related operations *HK$'000*	Total *HK$'000*
For the year ended 31 March 2011				
Segment revenue and results				
Segment revenue from external customers	413,798	20,759	1,350,290	1,784,847
Segment results	3,670,189	(110,676)	395,710	3,955,223
Interest income				6,431
Unallocated corporate expenses, net				(62,074)
Finance costs				(99,407)
Share of result of an associate				30
Profit before taxation				3,800,203
Taxation charge				(99,373)
Profit for the year				3,700,830
Other information				
Amounts included in the measure of segment results:				
Depreciation of property, plant and equipment	–	482	99,950	100,432
Release of prepaid lease payments	–	–	8,568	8,568
Loss on disposal of property, plant and equipment	–	–	448	448
Reversal of write-downs of properties under development for sale	–	974	–	974
Fair value increase in investment properties	3,277,519	–	–	3,277,519

Amounts regularly provided to the Executive Directors but not included in the measure of segment results (included in unallocated corporate expenses, net):

	HK$'000
Depreciation	16,008
Gain on disposal of property, plant and equipment	334
Reversal of allowance for bad and doubtful debts	2,079

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 (the "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 receivables, by geographical location of the assets are detailed below:

	Revenue from customers		Non-current assets	
	For the year ended		As at	
	31 March 2012	31 March 2011	**31 March 2012**	31 March 2011
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong	**1,153,888**	452,298	**19,743,993**	15,242,372
The PRC	**11,623**	5,991	**2,751,401**	2,378,373
Macau	**1,794,092**	1,326,558	**3,065,285**	2,746,687
	2,959,603	1,784,847	**25,560,679**	20,367,432

Information about major customers

During the Year, revenue derived from the customer which contributed over 10% of the total revenue of the Group amounted to HK$1,629,747,000 (2011: HK$1,179,455,000). The revenue is related to the hotel and hotel related operations.

4. PROFIT BEFORE TAXATION

	2012	2011
	HK$'000	*HK$'000*
Profit before taxation has been arrived at after charging:		
Depreciation of property, plant and equipment	**114,201**	116,440
Release of prepaid lease payments	**8,568**	8,568
Gain on disposal of a subsidiary	**26,287**	–

5. TAXATION CHARGE

	2012	2011
	HK$'000	*HK$'000*
The charge comprises:		
Current tax		
Hong Kong Profits Tax	**(17,111)**	(11,844)
Macau Complimentary Income Tax ("CT")	**(80,002)**	(43,757)
PRC Land Appreciation Tax ("LAT")	**(913)**	–
	(98,026)	(55,601)
Reversal of CT provision	**18,130**	–
(Under) over provision in prior years		
Hong Kong Profits Tax	**541**	315
PRC Enterprise Income Tax	**–**	1,538
PRC LAT	**(1,029)**	9,567
	(488)	11,420
	(80,384)	(44,181)
Deferred taxation		
Charge for the Year	**(74,008)**	(55,192)
	(154,392)	(99,373)

Hong Kong Profits Tax is calculated at 16.5% of the assessable profit for both years.

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 1 January 2008 onwards.

The CT is calculated at the applicable rate of 12% of the estimated assessable profits for the Year.

Pursuant to the CT law, the CT assessment on the estimated assessable profit in a year of assessment will lapse after five years from the year of assessment. At the end of the reporting period, the Directors of the Company reassessed the adequacy of the CT provision and determined to reverse part of the Group's relevant CT provision of HK$18,130,000 for the 2006 year of assessment (2011: Nil) accordingly.

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

6. DIVIDENDS

	2012	2011
	HK$'000	*HK$'000*
Dividends recognised as distribution during the Year:		
Final dividend paid for 2011: HK$0.052 per share (2010: HK$0.04)	**190,673**	118,732
Interim dividend paid for 2012: HK$0.05 per share (2011: HK$0.048)	**183,338**	142,479
	374,011	261,211

On 14 February 2011, Company's shareholders approved to distribute the shares of the Company to the shareholders of the Company on the basis on one share of the Company for every six shares of the Company held by the shareholders of the Company. A total of 494,718,473 shares of the Company were distributed to the shareholders of the Company.

The final dividend of HK$0.052 in respect of the year ended 31 March 2012 (2011: final dividend of HK$0.052 amounting to approximately HK$190,673,000 in total in respect of the year ended 31 March 2011) per share has been proposed by the Directors and is subject to approval by the shareholders in general meeting.

7. EARNINGS PER SHARE

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

	2012	2011
	HK$'000	*HK$'000*
Earnings		
Earnings for the purpose of basic and diluted earnings per share	**4,459,091**	3,444,702

	2012	2011
Number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share	**3,666,776,192**	3,476,426,368

The weighted average number of ordinary shares for the purpose of basic and diluted earnings per share for the year ended 31 March 2011 had been adjusted for issue of shares during that year.

The computation of diluted earnings per share does not assume the exercise of the Company's and Emperor EH'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 Emperor EH's shares during the Year.

8. TRADE AND OTHER RECEIVABLES

An analysis of trade and other receivables is as follows:

	2012	2011
	HK$'000	*HK$'000*
Trade receivables	**219,521**	200,656
Chips on hand	**89,315**	111,945
Other receivables, net carrying values	**343,089**	540,703
Loan receivable from joint venture partner	**183,183**	–
Deposits and prepayments	**80,588**	69,026
	915,696	922,330

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

	2012	2011
	HK$'000	*HK$'000*
0–30 days	**156,948**	148,614
31–90 days	**16,024**	17,685
91–180 days	**3,906**	4,876
Over 180 days	**42,643**	29,481
	219,521	200,656

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

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

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$25,094,000 (2011: HK$21,123,000). These related companies are companies in which a deemed substantial shareholder of the Company has controlling interest. The amounts are unsecured, interest-free and repayable within one year.

Included in other receivables are deposits received for pre-sale of the Group's properties under development for sale of HK$217,796,000 (2011: HK$429,493,000) under the custodian of the independent lawyers on behalf of the Group.

9. TRADE AND OTHER PAYABLES

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

	2012	2011
	HK$'000	*HK$'000*
0–90 days	**20,120**	23,872
91–180 days	**92**	106
Over 180 days	**35**	–
	20,247	23,978
Construction payables and accruals	**488,717**	450,020
Other payables and accruals	**163,976**	155,615
Customers' deposits	**161,517**	122,187
Deposits received from pre-sale of properties	**1,230,425**	918,570
Land premium payable	**798,000**	–
	2,862,882	1,670,370

MANAGEMENT DISCUSSION AND ANALYSIS

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

MARKET REVIEW

The property market in Hong Kong has been conservative since the second quarter of 2011 amid heightened external uncertainties. Various measures were introduced by the government of Hong Kong and the PRC to cool down the property markets during the Year. However, the general market conditions and demand for residential properties remained stable due to solid market fundamentals, high purchasing power, low levels of unemployment, low interest rates, together with rising construction costs.

On the other hand, with the ever-increasing number of mainland visitors arrival to Hong Kong in the recent years, the consumption power by mainland visitors continued to substantially escalate. Such growth greatly stimulated the local retail market, which provided strong support for the upward trend of the rental level in the prime shopping areas in Hong Kong.

Due to the steady growth of mainlanders' disposable income and their frequent travelling between Hong Kong and the PRC, there have been more mainlanders relocating to Hong Kong. As well as the increase of living standard of local residents, the demand towards the luxury residential units continued to grow.

FINANCIAL REVIEW

Overall Review

The Group had delivered strong performance in all business fronts for the Year, taking advantages of its strong business foundation and growth potential. During the Year, the Group reported total revenue of HK$2,959.6 million (2011: HK$1,784.8 million), representing a substantial increase of 65.8%. Rental income from investment properties recorded an increase of 18.4% to HK$490.0 million (2011: HK$413.8 million), taking up 16.6% (2011: 23.2%) of the Group's total revenue. Since part of the sold units had been delivered to the customers during the Year, revenue from the property development rocketed nearly 30 folds to HK$636.7 million (2011: HK$20.8 million), representing 21.5% of the total revenue. The hospitality segment reported a revenue growth of 35.7%, to HK$1,833.0 million (2011: HK$1,350.3 million) and accounted for 61.9% of the total revenue.

Due to the asset appreciation of prime retail properties and sale of investment properties, the revaluation gain on properties during the Year increased to HK$3,976.2 million (2011: HK$3,278.5 million). The profit for the Year attributable to owners of the Company jumped 29.4% to HK$4,459.1 million (2011: HK$3,444.7 million).

Basic and diluted earnings per share were HK$1.22 (2011: HK$1.0) and HK$1.22 (2011: HK$1.0) respectively. The Group proposed a final dividend of HK$0.052 (2011: HK$0.052) per share. Together with the interim dividend of HK$0.05 per share, the total dividend per share for the Year was HK$0.102 (2011: HK$0.1).

Liquidity And Financial Resources

As at 31 March 2012, the Group's net asset value and net asset value per share amounted to HK$17,495.3 million (2011: HK$13,212.3 million) and HK$4.77 per share (2011: HK$3.6 per share) respectively. The Group owned key property portfolio of over 5 million square feet.

The Group has bank balances and cash amounted to HK$1,315.9 million as at 31 March 2012 (2011: HK$1,097.1 million). The total external borrowings (excluding payables) amounted to approximately HK$10,263.5 million (2011: HK$8,551.8 million) and the Group maintained a debt to total asset ratio of 31.1% (2011: 33.8%) (measured by total external borrowings as a percentage to the total asset value of the Group). In addition to its share capital and reserves, the Group made use of cash flow generated from operations, bank borrowings and unsecured loans from a related company to finance its operation. The Group's bank borrowings were denominated in Hong Kong dollars and 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.

BUSINESS REVIEW

Despite the general property market was volatile during the Year, the Group was able to capture the market opportunities by participating in a market segment with higher growth. The Group firmly established a dual-engine business model. One is quality investment portfolio with a strong focus on high-end retail properties for guaranteed and substantial rental income while the other is urban redevelopment projects for higher visibility of earnings.

Investment Property

The overall occupancy rate of the Group's retail properties was over 99% during the Year, which is attributable to the prime locations of the majority of the Group's retail premises.

Hong Kong

The Group owns many premium investment properties with a strong focus on high-end street level retail space at the most renowned shopping districts in Hong Kong. Key investment properties include the retail shops located at ***Nos. 8, 20, 22-24 and 50-56, Russell Street, No. 76, Percival Street*** and ***Nos. 507, 523, Lockhart Road*** in Causeway Bay, ***Nos. 4, 6 and 8, Canton Road*** and ***No. 81, Nathan Road*** in Tsim Sha Tsui, shopping mall at ***Emperor Group Centre*** in Wanchai, ***Fitfort Shopping Arcade*** in North Point and ***Emperor Plaza*** in Tsuen Wan (of which Emperor Plaza will be disposed by the end of November 2012). The significant rental growth, full occupancy rate and high capital appreciation once again demonstrate the Group's expertise on value enhancement for its investment properties through the strengths of the management execution.

At present, ***Russell Street***, Causeway Bay, is ranked as one of the top two most expensive shopping streets in the world in terms of rental price per square feet. The Group has the largest coverage at the street-level shops at Russell Street with a promising traffic, resulting in a notable surge in rental growth. Subsequent to the Year, the Group further extended its coverage nearby Russell Street and newly acquired the ***ground floor shop unit of No. 12, Matheson Street***, Causeway Bay. This acquisition further enhanced the quality of the Group's investment properties portfolio and consolidated its leading position on the premium retail shops.

The Pulse is a multi-functional beach-front leisure and recreation complex with a gross floor area of approximately 143,000 square feet in Repulse Bay, which is one of the famous tourist spots in the world and the most dazzling beach in Hong Kong. This project was virtually near completion during the Year. Subsequent to the Year, the legal proceeding of this project came to an end by agreeing the amount of land premium. This project is pending to be leased in the second half of 2012.

Macau

In Macau, the demolition work at ***Nos. 71-75, Avenida do Infant D Henrique & Nos. 514-520, 526-528, 532-540, Avenida ad Praia Grande*** has been completed during the Year. It will be redeveloped into a multi-storey premium retail complex with a total gross floor area of approximately 30,000 square feet. It is expected that this corner site will be upgraded and signified as city-centre shopping spot in the Peninsula, a traditional gaming area in Macau. The Group will enjoy stable rental income and long-term rental increment on the intrinsic value of this property investment upon its completion in 2014.

The PRC

In the PRC, clearance work of the site along ***Chang'an Avenue East*** in Beijing has been completed subsequent to the Year. It is planned to be developed into a Grade-A office and retail tower with a total gross area of approximately 1,000,000 square feet. The tower will include multi-storey retail podium, entertainment hot spots and parking facilities, which will become another landmark building at the prominent street of the capital city in China.

Located in Yuyuan, Huangpu District, Shanghai, ***Emperor Star City*** will be developed into a shopping arcade and hotel or service apartment complex at the prime site adjacent to the Shanghai M10 subway route. Its foundation and basement excavation work for the development had been completed. With an expected total gross area of 1,300,000 square feet, the complex will include a multi-storey shopping arcade as its major component. The Group expects such project will generate substantial and stable rental revenue upon completion in the future.

Property Development

To capitalise on the growing demand for residential properties, the Group has commenced the pre-sale of ***Harbour One***, a sea-view luxury residential development in the Western District, and ***The Java***, a high-end multi-storey composite residential building in North Point before the Year, and ***18 Upper East***, a multi-storey composite residential building at the pop residential area in Sai Wan Ho during the Year.

Harbour One, which comprises a 38-storey luxury residential tower with 103 flats and a total gross area of approximately 140,000 square feet, is expected to be completed in 2012. Its pre-sale programme has been commenced in May 2010. As at 31 March 2012, over 93% of its units have been sold at an average selling price of HK$15,300 per square feet. Its profit should be recognised in the financial year of 2012/2013.

The occupation permit for ***The Java***, which comprises a 32-storey building with 75 flats and 3 shops and a total gross area of approximately 69,000 square feet, was issued in October 2011. Its pre-sale has been commenced in July 2010. As at 31 March 2012, over 95% of its units have been sold at an average selling price of HK$12,500 per square feet. Part of its profit has been recognised in the financial year of 2011/2012 and remaining profit will be recognised in the financial year of 2012/2013.

18 Upper East, Shing On Street, Sai Wan Ho, is a 34-storey composite building with a total of 108 flats and 7 shops and the total gross area of approximately 83,000 square feet. Its pre-sale has commenced in April 2011. As at 31 March 2012, over 84% of its units have been sold at an average selling price of HK$11,200 per square feet. The project is expected to be completed in 2012 and its profit should be recognised in the financial year of 2012/2013.

The Prince Place, a 24-storey composite building with a total of 36 residential units and 6 retail shops and the total gross area of approximately 31,000 square feet, has been available on sale in June 2012 after the issuance of an occupation permit in March 2012. It is located in Prince Edward Road West, Kowloon which is close to the Shatin-Central Rail Link. Its profit will be recognised in the financial year of 2012/2013.

Following the unification of title of the site located at ***Nos. 179-180 Connaught Road West & Nos. 345-345A, Des Voeux Road West, Hong Kong*** (previously known as ***Cheung Ka Industrial Building***), the property is planned to be redeveloped into a luxury composite retail and residential building with a panoramic view of the Victoria Harbour of a total gross floor area amounting to approximately 185,000 square feet. Demolition work has been commenced during the Year and the entire project is expected to be completed in 2015.

To comply with the Group's market positioning and business focus, the site at ***DD210, Ho Chung, Sai Kung*** will be developed into a luxury low-rise residential complex with a total gross floor area of approximately 26,000 square feet. It will be developed into 13 detached or semi-detached sea-view houses to meet the high demand of luxury low-rise residential properties with target completion in 2015.

Subsequent to the Year, the Group newly acquired a site at ***Tuen Mun Town Lot No. 436, Kwun Fat Street, Siu Lam, Tuen Mun***, with a total gross area of approximately 39,000 square feet. It will be developed into 16 low-rise detached or semi-detached houses with target completion in 2014.

Hotel Operations and Related Services

This section mainly includes the revenue derived from ***Emperor (Happy Valley) Hotel*** in Hong Kong and contributions made by ***Grand Emperor Hotel*** in Macau, whose income from hospitality and related services had been consolidated with the Group.

Emperor (Happy Valley) Hotel in Hong Kong generates revenue mainly from the hotel's accommodation services as well as the food and beverage services. During the Year, the Group had continuing to diversify its guest mix and put great weight in developing high-yield corporate customers.

During the Year, the Group has secured, through Government tender, a prominent site at ***No. 373 Queen's Road East, Wanchai*** with the site area of approximately 8,000 square feet and construction area of approximately 116,000 square feet. Strategically located in the business district of Wanchai with easy access to public transportation, the site will be built as a premium 4-star hotel, which serves as an attractive alternative for business travellers and tourists in the region. Its site clearance work was completed during the Year. Expected to be completed by 2014, the premium 30-storey hotel with about 300 guestrooms will provide its guests a full-range of leisure, dining and parking facilities.

OUTLOOK

Looking towards 2012, global market conditions are expected to continue to improve modestly, given that the Europe markets affected by sovereign debt problems are showing signs of stabilisation, and the U.S. overall economy is back on track for gradual growth as reflected by improvements in major economic indicators aided by low interest rates.

In line with the PRC's economic growth target of 7.5% per annum, the mainland's economy is expected to continue to expand solidly in 2012, although the pace may be slightly moderated. Hong Kong's gross domestic product ("GDP") growth will likely moderate in the coming year as well, but will remain positive due to the mainland's continued steady development which will provide solid support to the Hong Kong's economy. Hong Kong's sound economic fundamentals and its close proximity to the mainland as a high growth centre will be two strong pillars for its sustainable development.

Rental income from prime retail properties are expected to grow significantly due to the increase in tenants' business turnover benefited from the continuous consumption growth in mainland China. It is expected that ***The Pulse*** will bring a substantial and stable rental income to the Group in the financial year of 2012/2013 and onwards. Subsequent to the Year, Emperor Plaza was disposed at the cash consideration of HK$1,450 million.

The Group has taken a more pro-active approach for property development recently. The Group believes that the final completion of ***Harbour One, The Java, 18 Upper East*** and ***The Prince Place*** will further increase the earnings visibility. The Group is looking forward to receiving a remarkable profit from these projects in the financial year of 2012/2013. These projects only accounted for less than half of the Group's land bank in the segment of property development. Subsequent to sale of these projects, the Group will accelerate its development plan in the forthcoming years by utilising the existing land bank and acquiring new land reserve. The Group will continue to seek all opportunities to acquire more land bank in the future.

With the growing confidence of both end-users and investors, the Group will dedicate to secure a steady return rate from the sale of residential property development. The Group is planning to redevelop the ***Emperor (Happy Valley) Hotel*** into a luxury residential project with parking and clubhouse facilities, which will be a significant luxury residential property close to the well-known Happy Valley racecourse.

The Group will continue to be cautious in seeking investment opportunities to enhance the shareholders' return. With its management execution strengths and market insights, the Group will strive to further enhance its competitive position and aim to become a key property player in the Greater China region.

EMPLOYEES AND REMUNERATION POLICY

The total cost incurred for staff including Directors' emoluments amounted to HK$453.7 million during the Year (2011: HK$397.2 million). The number of staff was approximately 1,488 as at the end of the Year (2011: 1,332). All employees are under remuneration policy of fixed monthly salary with discretionary bonus. Staff benefits include contributions to retirement benefit scheme, medical allowances and other fringe benefits.

To provide incentives or rewards to staff, the Company adopted a share option scheme on 9 September 2003. During the Year, no share option had been granted and outstanding share options as at 31 March 2012 was 37,693,161 share options (2011: 40,385,529 share options).

ASSETS PLEDGED

As at 31 March 2012, assets with carrying value of HK$22,327.9 million were pledged as security for banking facilities.

CONTINGENT LIABILITIES

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 interpretation of the government lease relating to its investment properties under development situated in Repulse Bay. A land premium may have to be paid to the government of the HKSAR in order for the properties to be rent out if the declarations sought were not granted to the Group. The court of first instance declined to grant the declarations sought. In January 2010, Gold Shine had lodged an appeal. In May 2012, Gold Shine had reached an agreement with the government of HKSAR on the amount of land premium, being HK$798,000,000. Accordingly, Gold Shine had obtained consent of dismissal from the government of HKSAR on 15 May 2012 and obtained endorsement from the Hong Kong Court of Appeal on Request for Dismissal of Appeal by Consent on 18 May 2012 that putting an end to the court proceedings. Land premium payable was recognised at 31 March 2012 in respect to the agreed amount of land premium.

FINAL DIVIDEND

The Board recommended the payment of a final dividend of HK$0.052 per share ("Final Dividend") for the year ended 31 March 2012, amounting to approximately HK$190.7 million. The Final Dividend, if being approved at the forthcoming annual general meeting of the Company ("AGM"), will be paid on 7 September 2012 (Friday) to shareholders whose names appear on the register of members of the Company on 16 August 2012 (Thursday).

CLOSURE OF REGISTER OF MEMBERS

For ascertaining shareholders' right to attend and vote at AGM

Latest time to lodge transfers	4:30 p.m. on 6 August 2012 (Monday)
Book close date	7 August 2012 (Tuesday)
Record date	7 August 2012 (Tuesday)
AGM	8 August 2012 (Wednesday)

For ascertaining shareholders' entitlement to the proposed Final Dividend

Latest time to lodge transfers	4:30 p.m. on 14 August 2012 (Tuesday)
Book close dates	15 to 16 August 2012 (Wednesday – Thursday)
Record date	16 August 2012 (Thursday)
Final Dividend payment date	7 September 2012 (Friday)

In order to qualify for the right to attend and vote at the AGM and for the proposed Final Dividend, all relevant share certificates and properly completed transfer forms must be lodged with the Company's Hong Kong Branch Share Registrar, Tricor Secretaries Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong for registration before the above latest time to lodge transfers.

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 then Code on Corporate Governance Practices as set out in Appendix 14 of the Listing Rules.

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 of Hong Kong Limited (http://www.hkex.com.hk) and the Company's website (http://www.emperorinternational.com.hk). 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, 19 June 2012

As at the date hereof, the Board comprises:

Non-executive Director	:	Ms. Luk Siu Man, Semon
Executive Directors	:	Mr. Wong Chi Fai Ms. Fan Man Seung, Vanessa Mr. Cheung Ping Keung
Independent Non-executive Directors	:	Mr. Chan Man Hon, Eric Mr. Liu Hing Hung Mr. Law Ka Ming, Michael