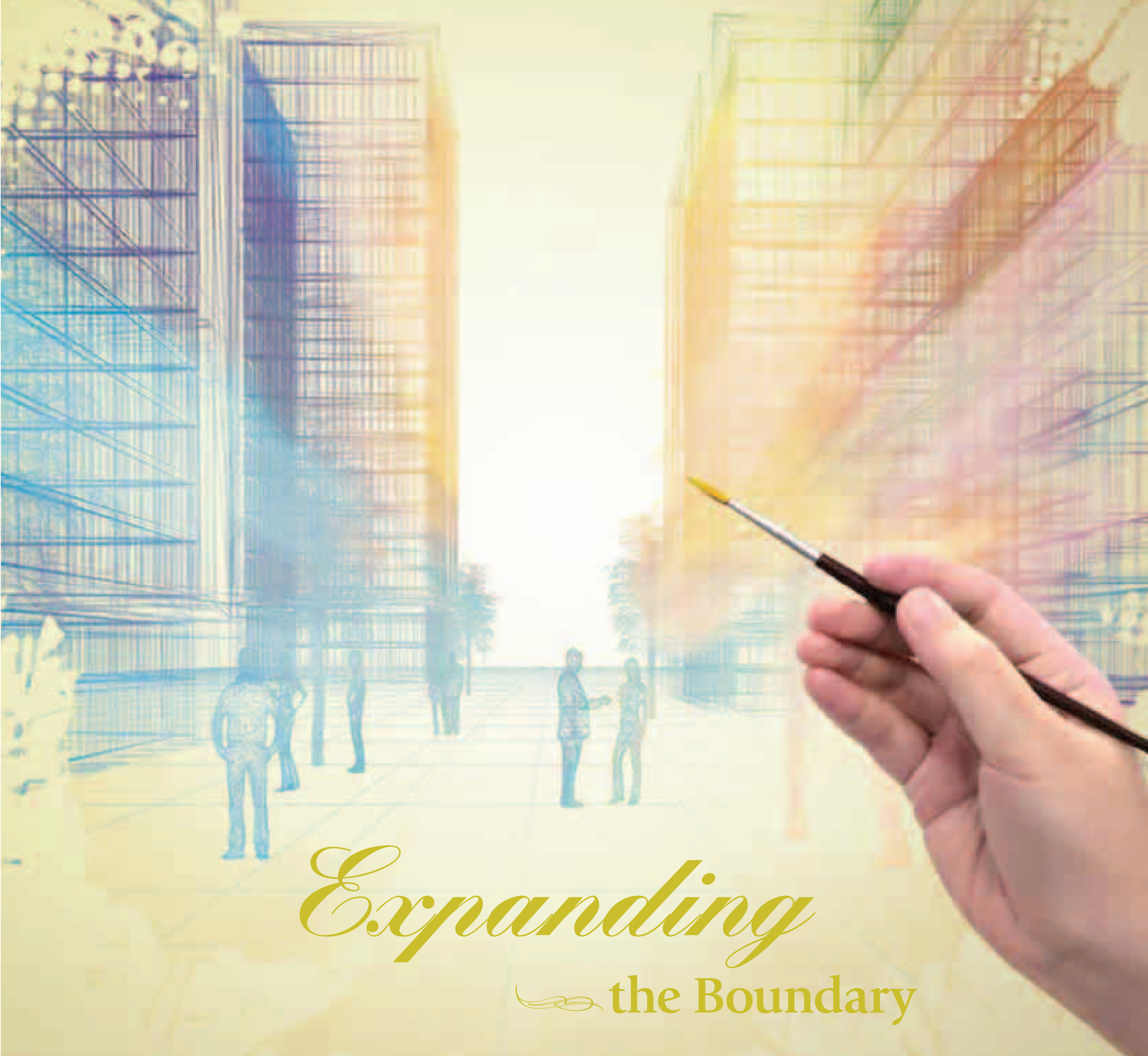
英皇集團（國際）有限公司
Emperor International Holdings Limited

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



Expanding the Boundary

Annual Report 2009/2010


EMPEROR WATCH AND JEWELLERY

Contents

Corporate Information & Key Dates

DIRECTORS

Luk Siu Man, Semon* *(Chairperson)*
Wong Chi Fai *(Managing Director)*
Fan Man Seung, Vanessa *(Managing Director)*
Cheung Ping Keung
Mok Fung Lin, Ivy
Chan Man Hon, Eric**
Liu Hing Hung**
Law Ka Ming, Michael**
* *Non-executive Director*
** *Independent Non-executive Directors*

COMPANY SECRETARY

Mok Fung Lin, Ivy

AUDIT COMMITTEE

Chan Man Hon, Eric *(Chairman)*
Liu Hing Hung
Law Ka Ming, Michael

REMUNERATION COMMITTEE

Wong Chi Fai *(Chairman)*
Liu Hing Hung
Law Ka Ming, Michael

AUDITOR

Deloitte Touche Tohmatsu

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

PRINCIPAL OFFICE

28th Floor
Emperor Group Centre
288 Hennessy Road
Wanchai
Hong Kong

REGISTRAR (in Bermuda)

Butterfield Fulcrum Group (Bermuda) Limited
Rosebank Centre
11 Bermudiana Road
Pembroke HM08
Bermuda

REGISTRAR (in Hong Kong)

Tricor Secretaries Limited
26th Floor
Tesbury Centre
28 Queen's Road East
Hong Kong

BANKERS

The Hongkong and Shanghai Banking Corporation Limited
Fubon Bank (Hong Kong) Limited
The Bank of East Asia, Limited
Wing Hang Bank, Limited
Chong Hing Bank Limited
Hang Seng Bank Limited
Bank of China
Banco Weng Hang S.A.

AMERICAN DEPOSITARY BANK

The Bank of New York Mellon
BNY Mellon Shareowner Services
P.O. Box 358516
Pittsburgh, PA 15252-8516
USA

WEBSITE

http://www.emp163.com

STOCK CODE

163

KEY DATES

Annual Results Announcement	28th June, 2010
Closure of Register of Members	16th to 17th August, 2010 (both days inclusive)
Record Date for Final Dividend	13th August, 2010
Annual General Meeting	18th August, 2010
Payment of Final Dividend	On or around 17th September, 2010

CORPORATE COMMUNICATIONS

This Annual Report (in both English and Chinese versions) is available on the Company's website. In order to protect the environment, the Company highly recommends shareholders to elect to receive electronic copy of this Report. Upon written request, free printed version of this Report will be sent to shareholders who have elected to receive electronic copies but for any reason have difficulty in receiving or gaining access to the Company's website. Shareholders may have the right to change their choice of receipt of all future Corporation Communications at any time by reasonable notice in writing to the Company or the Company's Registrar, Tricor Secretaries Limited, by post or by email at is-enquiries@hk.tricorglobal.com.

Financial Highlights

For the year ended 31st March

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


Harbour One
458 Des Voeux Road West, Hong Kong
www.harbourone.com.hk


維
HARBOUR
ONE
壹
Genuine view of Victoria Harbour from Harbour One

Chairperson's Statement

MANAGEMENT DISCUSSION AND ANALYSIS

Overview

For the year ended 31st March, 2010 ("Year"), Emperor International Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") has recorded total revenue of approximately HK$1,449.8 million, representing an increase of 316.4% compared with HK$348.2 million for the same period in the previous year, when the Asia economy was seriously affected by the global financial crisis.

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

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

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

Business Review

Property Investment

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

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

In anticipation of rapid rental growth for shops along Canton Road, Tsim Sha Tsui as a result of the increasing purchasing power of Mainland China tourists, the Group acquired two shops along the strip of that premier shopping street around end of 2009. The shops are located on the Ground Floor, Nos 6 and 8 Canton Road, Kowloon, with a total saleable area of approximately 1,212 square feet. Subsequent to the Year, the Group further acquired the whole of the First Floor, 4, 6 and 8 Canton Road, with a total saleable area of approximately 1,878 square feet. Highly experienced in and insightful towards the niche market of prime retail shops, the Group is confident that its new investment on Canton Road, together with its heavy presence in Russell Street, Causeway Bay, which according to a recent market survey ranks third highest in the world in terms of retail rental, will contribute a substantial portion of the Group's total rental revenue in the coming future.

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

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

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

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

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

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

Property Development

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

"Harbour One", located on Des Voeux Road West, Sai Wan, has been positioned as a high-end seaview residential development. It will comprise a 38-storey luxury residential tower with 103 flats and a total gross area of approximately 140,000 square feet, expected to be completed in 2012. Pre-sale commenced on 2nd May, 2010, with approximately 52% of the units sold within one week. It has been the first property development for sale after the announcement of a series of measures, commonly known as the "nine measures", by the Hong Kong SAR Government aiming at improving transparency and accuracy of first-hand residential property sales. "Harbour One" achieved an average unit rate of HK$13,800 per square feet on gross area, which surpassed market expectations.

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

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

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

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

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

Sale of Property

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

The Group has a commercial/residential composite development project in Xiamen, known as Emperor Lakeside Metropolis. It provides a total of 284 residential flats with a total gross area of 440,000 square feet. The Group has completed the project during the Year. Most of the residential units have been pre-sold and subsequently handed over to the buyers. Sale proceeds have amounted to HK$423.1 million during the Year. As at 31st March, 2010, over 98% of the residential units were sold.

Hotel and Hotel Related Operations

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

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

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

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

Prospects

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

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

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

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

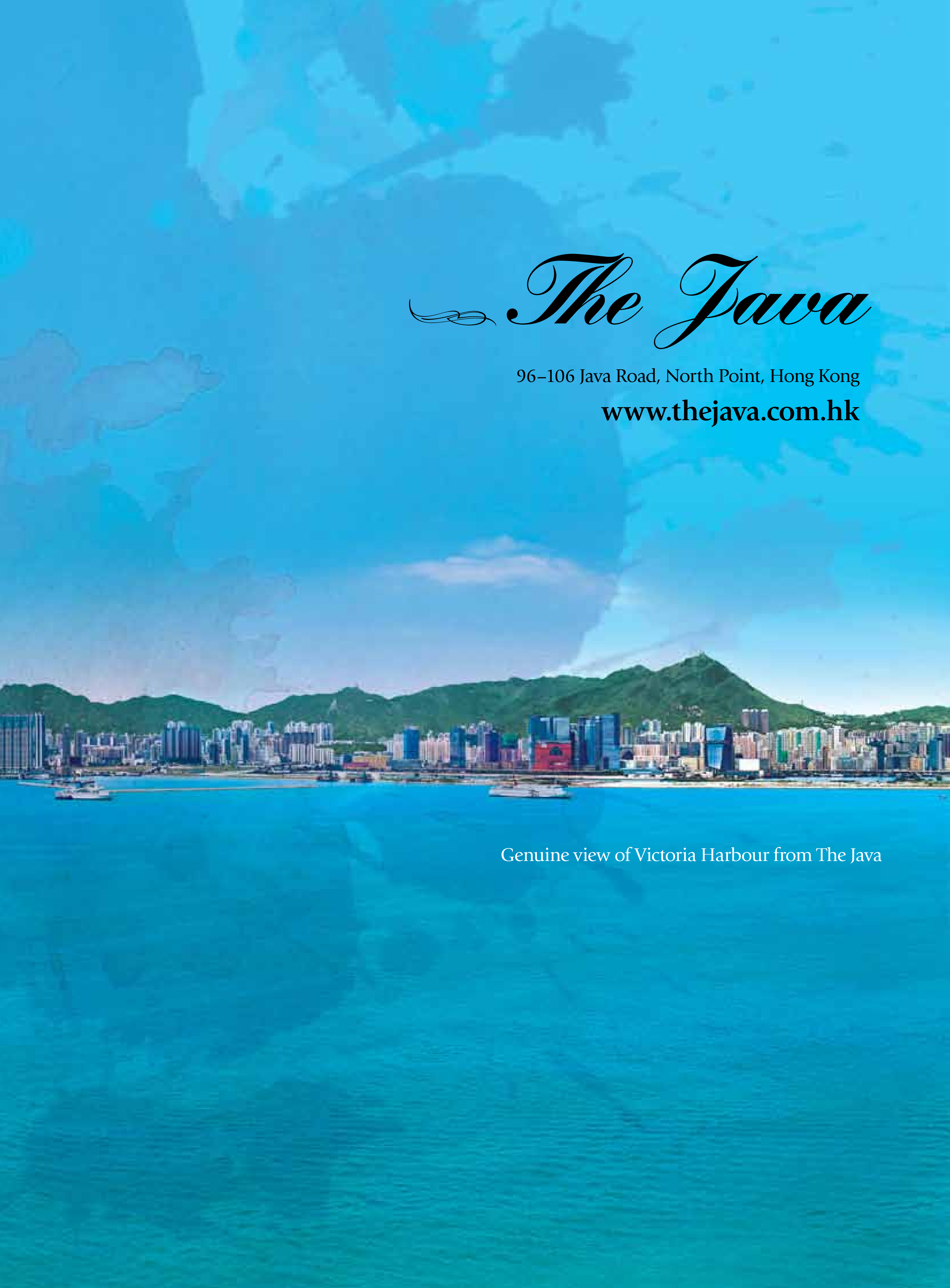
Capital Structure, Liquidity and Financial Resources

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

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

As at 31st March, 2010, the total external borrowings (excluding payables) amounted to approximately HK$7,227.4 million and the Group maintained a debt to total asset ratio of 37.5% (measured by total external borrowings as a percentage to the total asset value of the Group). In addition to its share capital and reserves, the Group made use of cash flow generated from operations, bank borrowings and unsecured loans from a related company to finance its operations. The Group's bank borrowings were denominated in Hong Kong Dollars and Renminbi ("RMB") and their interest rates followed market rates. The Group's bank balances and cash were also denominated in Hong Kong dollars, RMB and Macau Pataca ("MOP"). Since RMB and MOP are relatively stable, the Group had no material exposure to fluctuations in exchange rates.


THE JAVA
渣華道98號


The Java
96–106 Java Road, North Point, Hong Kong
www.thejava.com.hk
Genuine view of Victoria Harbour from The Java

Assets Pledged

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

Contingent Liabilities

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

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

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

Employees and Remuneration Policy

The Group's number of employees was approximately 1,300 (2009: approximately 330) as at 31st March, 2010. Total staff costs (including directors' emoluments) for the Year was approximately HK$245.7 million (2009: HK$93.7 million). Employees' remuneration was determined in accordance with individual's responsibility, performance and experience. Staff benefits include contributions to retirement benefit scheme, medical insurance and other fringe benefits.

To provide incentives or rewards to the staff, the Company adopted a share option scheme on 9th September, 2003. During the Year, no share option had been granted and outstanding share options as at 31st March, 2010 were 37,500,000 share options.

Corporate Social Responsibilities

The Group has particularly focused its efforts on hospice services during the Year. In November 2009, Emperor Foundation, established by the Group in 1997, co-organized with Society for the Promotion of Hospice Care ("SPHC") a charity walk "Walk of Hospice 2009" to raise fund for SPHC. This event, endorsed by Emperor Entertainment Group ("EEG") artistes Vincy and William Chan, has not only rallied enthusiastic support from the staff but also attracted substantial participation from the public.

Later in the same month, the Group's staff went to Wuhan, Hubei on a volunteer tour, led by Emperor Foundation, which aimed to show concern to the solitary elderly in the region. Volunteers including EEG artistes Michelle and Kathy visited "Hubei Hong Kong Emperor Elderly Care Centre", a hospice care centre for solitary elderly funded by Emperor Foundation since 2007, and two other elderly homes in Wuhan. The volunteers carried out some simple restoration works, organized parties and gave gifts like overcoats, wheelchairs and crutches.

The Group continued to support SPHC's once a year fund raising event "Hike for Hospice 2010" in January 2010. It also gave support to a fund raising ball of Benji's Centre, a charitable organization that provides speech and language training and assessment for children and teenagers with special needs, in November 2009 for the second time since 2008. The Group not only made cash donations and sponsored lucky draw prizes, but also motivated its staff to work as volunteers and honorary project management consultants for the event.

The Group always responds to calamity with enthusiastic and prompt support. During the Year, it has raised nearly HK$0.7 million to Hong Kong Red Cross for Haiti earthquake relief in January 2010. HK$1million donation was also made in response to Qinghai earthquake jointly by Emperor Foundation and EEG artistes Joey Yung and Twins subsequent to the Year in May 2010.

In recognition of its contribution to society, the Group was awarded the 5 Years Plus Caring Company Logo for the year 2009–2010 by Hong Kong Council of Social Service.

Biographies of Directors and Senior Executives

NON-EXECUTIVE DIRECTOR (CHAIRPERSON)

LUK SIU MAN, SEMON, aged 54, joined the Company in June 1999 and acts as the Chairperson of the Company. She graduated from The University of Toronto with a Bachelor's Degree in Commerce. She worked in the banking industry for almost 10 years. Ms. Luk is also the non-executive director and chairperson of Emperor Entertainment Hotel Limited ("EEH"), the subsidiary of the Company, the shares of which are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). She resigned as a director of Dragonlott Entertainment Group Limited (formerly known as Emperor Entertainment Group Limited) ("DEG"), a company listed on the Growth Enterprise Market of the Stock Exchange, on 22nd March, 2010.

EXECUTIVE DIRECTOR AND MANAGING DIRECTOR

WONG CHI FAI, aged 54, joined the Company in 1991 and acts as the Managing Director of the Company. He is the Chairman of the Remuneration Committee of the Company. He has been responsible for the Group's strategic planning, business growth and development and overseeing the financial management of the Group. Mr. Wong is an associate of the Hong Kong Institute of Certified Public Accountants and a fellow of the Association of Chartered Certified Accountants. He is also a director of EEH, New Media Group Holdings Limited ("New Media") and Emperor Watch & Jewellery Limited ("EWJ"), all are companies listed on the Main Board of the Stock Exchange. He resigned as a director of DEG on 22nd January, 2010. Having over 20 years of finance and management experience, Mr. Wong has diversified experience in different businesses ranging from manufacturing to property investment and development, hotel and hospitality, watch and jewellery retailing, entertainment as well as media.

EXECUTIVE DIRECTOR AND MANAGING DIRECTOR

FAN MAN SEUNG, VANESSA, aged 47, joined the Company in 1990 and acts as the Managing Director of the Company. She has been responsible for the Group's strategic planning, business growth and development and overseeing different operations within the Group. She is a lawyer by profession in Hong Kong and a qualified accountant. She also holds a Master's Degree in Business Administration. Ms. Fan is also a director of EEH, New Media and EWJ. She resigned as a director of DEG on 28th June, 2010. Besides having over 21 years of corporate management experience, she possesses diversified experience in different businesses including property investment and development, hotel and hospitality, financial and securities operations, watch and jewellery retailing, entertainment as well as media.

EXECUTIVE DIRECTOR

CHEUNG PING KEUNG, aged 54, joined the Company in 2005 and was appointed as Executive Director of the Company in February 2007. Mr. Cheung currently heads the Property Department and supervises all functions of the Property Department, including property acquisition, development, marketing and management. He graduated from University of London with a Bachelor's Degree (Hons) in Arts. He is a Chartered Valuation Surveyor and a Fellow of both the Royal Institution of Chartered Surveyors and the Hong Kong Institute of Surveyors. He is also an Accredited Canadian Appraiser. During the period from 1997 to 2005, Mr. Cheung was an executive director of Henderson Investment Limited, a listed company on the Main Board of the Stock Exchange. He has over 30 years of experience in professional general practice surveying as well as property development and marketing in Hong Kong, Macau, Mainland China and Canada.

EXECUTIVE DIRECTOR AND COMPANY SECRETARY

MOK FUNG LIN, IVY, aged 45, joined the Company in 1993 as Legal Consultant and was appointed as Executive Director of the Company in February 2000. She is also the Company Secretary of the Company. She is a lawyer by profession in Hong Kong and the United Kingdom, and holds a Master's Degree in Business Administration. Ms. Mok is also an executive director and the company secretary of EEH.

INDEPENDENT NON-EXECUTIVE DIRECTOR

CHAN MAN HON, ERIC, aged 53, was appointed as Independent Non-executive Director of the Company in February 2001. He is the Chairman of the Audit Committee of the Company. He graduated from the University of Hong Kong with a Bachelor's Degree in Laws in 1978. He also holds a Master's Degree in Business Administration from the Chinese University of Hong Kong. He is a practicing solicitor and a consultant of Vincent T.K. Cheung, Yap & Co. Currently, he is a non-executive director of Southeast Asia Properties & Finance Limited and an independent non-executive director of Global Bio-chem Technology Group Company Limited, the shares of both companies are listed on the Main Board of the Stock Exchange.

INDEPENDENT NON-EXECUTIVE DIRECTOR

LIU HING HUNG, aged 46, was appointed as Independent Non-executive Director of the Company in September 2004. He is a member of the Audit Committee and Remuneration Committee of the Company. He holds a Master's Degree in Business Administration. He is a fellow of the Hong Kong Institute of Certified Public Accountants, the Association of Chartered Certified Accountants and the Taxation Institute of Hong Kong and also a member of the Society of Chinese Accountants and Auditors. He now runs a professional accountancy firm in Hong Kong and has over 10 years of experience in accounting, taxation, auditing and corporate finance. He is also an independent non-executive director of SIM Technology Group Limited, a company listed on the Main Board of the Stock Exchange. Mr. Liu had been a director of Shimao International Holdings Limited which was a company previously listed on the Main Board of the Stock Exchange, the shares of which were withdrawn on 27th July, 2007.

INDEPENDENT NON-EXECUTIVE DIRECTOR

LAW KA MING, MICHAEL, aged 49, was appointed as Independent Non-executive Director of the Company in June 2008. He is a member of the Audit Committee and Remuneration Committee of the Company. He is a Chartered Quantity Surveyor of the Royal Institution of Chartered Surveyors. He holds a Master's Degree in Business Administration from the Chinese University of Hong Kong. Mr. Law has more than 10 years of experience in corporate management in logistic management services and trading of building material.

Directors' Report

The directors of the Company (the "Directors" or the "Board") present their annual report and the audited consolidated financial statements of the Group for the Year.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The principal activities of its subsidiaries are set out in note 49 to the consolidated financial statements.

RESULTS AND DIVIDENDS

The results of the Group for the year ended 31st March, 2010 are set out in the consolidated statement of comprehensive income on page 41.

An interim dividend of HK$0.048 per share amounting to HK$94,479,000 was paid to the shareholders during the Year. The Directors recommended the payment of a final dividend of HK$0.04 per share (2009: nil) for the Year amounting to HK$118.7 million subject to the approval of the shareholders at the forthcoming annual general meeting:

Record Date of final dividend	:	13th August, 2010
Annual General Meeting date	:	18th August, 2010
Final dividend payment date	:	on or around 17th September, 2010

INVESTMENT PROPERTIES

During the Year, the Group acquired investment properties at a cost of approximately HK$2,211,031,000 and incurred costs of approximately HK$261,633,000 to investment property under construction.

At 31st March, 2010, the Group revalued all of its investment properties on an open market value basis. The increase in fair value amounting to approximately HK$2,460,495,000 has been credited to the consolidated statement of comprehensive income.

Details of changes in the investment properties of the Group are set out in note 17 to the consolidated financial statements.

A summary of major investment properties of the Group is set out on pages 113 to 117.

PROPERTY, PLANT AND EQUIPMENT

During the Year, the Group acquired property, plant and equipment at a cost of approximately HK$48,241,000.

Details of changes in the property, plant and equipment of the Group are set out in note 18 to the consolidated financial statements.

SHARE CAPITAL

Details of movements during the Year in the share capital of the Company are set out in note 38 to the consolidated financial statements.

In order to finance the Group's acquisition of 12.31% interest in EEH, the Company issued 193,064,706 ordinary shares of HK$0.01 each, for consideration of HK$1.14 per share. The new shares rank pari passu with the existing shares in all respects. After the aforesaid acquisition, EEH became a subsidiary of the Company.

CONVERTIBLE BOND

During the Year, convertible bond in an aggregate principal amount of HK$1,200,000,000 was issued by the Company to Eternally Smart Limited ("Eternally Smart"). The convertible bond entitles its holder to convert the whole or any part(s) of the principal amount of the convertible bond into fully-paid ordinary shares of HK$0.01 each of the Company at the conversion price of HK$1.2 per share at any time from the date of issue to 2nd September, 2014.

During the Year, the holder of the convertible bond exercised its right to convert whole part of the principal amount of the convertible bond into fully-paid ordinary shares. Exercise in full of such convertible bond resulted in the issue of 1,000,000,000 additional shares of the Company.

RESERVES

Details of movements in the reserves of the Group during the Year are set out on pages 44 and 45.

DIRECTORS AND DIRECTORS' SERVICE CONTRACTS

The Directors of the Company during the Year and up to the date of this report were:

Non-executive Director:
Luk Siu Man, Semon *(Chairperson)*

Executive Directors:
Wong Chi Fai *(Managing Director)*
Fan Man Seung, Vanessa *(Managing Director)*
Cheung Ping Keung
Mok Fung Lin, Ivy

Independent non-executive Directors:
Chan Man Hon, Eric
Liu Hing Hung
Law Ka Ming, Michael

Subject to the service agreements hereinafter mentioned, the term of office of each Director, including the independent non-executive Directors, is the period up to his/her retirement by rotation in accordance with the Bye-laws of the Company.

In accordance with Bye-laws 87(2) and 87(3) of the Company's Bye-laws, Ms. Fan Man Seung, Vanessa, Ms. Mok Fung Lin, Ivy and Mr. Law Ka Ming, Michael would retire by rotation at the forthcoming annual general meeting. All of them being eligible, offer themselves for re-election.

Each of the non-executive directors has entered into a service agreement with the Company in relation to his/her service as non-executive/independent non-executive director of the Company for an initial term of one year commencing from 1st January, 2008 (except for Mr. Law Ka Ming, Michael whose term commenced from 25th June, 2008 up to 31st December, 2008) and continued thereafter until being terminated by notice in writing served by either party.

None of the Directors has a service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation other than statutory compensation.

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

As at 31st March, 2010, the interests and short positions of the Directors and chief executives and their associates in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) as recorded in the register maintained by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Companies of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") of the issued share capital of the Company were as follows:

(a) Long position interests in the Company

(i) Ordinary shares of HK$0.01 each of the Company

Name of director	Nature of interests	Number of ordinary shares/underlying shares	Approximate percentage holding
Ms. Luk Siu Man, Semon ("Ms. Semon Luk") *(Note 1)*	Family	2,071,851,364	69.80%

(ii) Share options

Name of director	Nature of interests	Number of ordinary shares/underlying shares	Approximate percentage holding
Mr. Wong Chi Fai *(Note 2)*	Beneficial owner	15,000,000	0.51%
Ms. Fan Man Seung, Vanessa ("Ms. Vanessa Fan") *(Note 2)*	Beneficial owner	15,000,000	0.51%
Mr. Cheung Ping Keung *(Note 2)*	Beneficial owner	5,000,000	0.17%
Ms. Mok Fung Lin, Ivy ("Ms. Ivy Mok") *(Note 2)*	Beneficial owner	2,500,000	0.08%

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

(a) Long position interests in the Company – continued

(ii) Share options – continued

Notes:

1. 2,071,851,364 shares of the Company were held by Charron Holdings Limited ("Charron"). The entire issued share capital of Charron was held by Million Way Holdings Limited ("Million Way") which was wholly-owned by STC International Limited ("STC International"), the trustee of The Albert Yeung Discretionary Trust ("AY Trust"), a discretionary trust set up by Dr. Yeung Sau Shing, Albert ("Dr. Albert Yeung"). Dr. Albert Yeung, as founder of the AY Trust, was deemed to be interested in the said shares held by Charron. By virtue of being the spouse of Dr. Albert Yeung, Ms. Semon Luk was also deemed to be interested in the same shares.

2. The share options were granted to Directors under the share option scheme of the Company.

(b) Long position interests in associated corporations

(i) Ordinary shares

Name of director	Name of associated corporation	Capacity	Number of issued ordinary share(s) held	Percentage of the issued share capital
Ms. Semon Luk	Charron *(Note 1)*	Family	1	100%
Ms. Semon Luk	Eternally Smart *(Note 1)*	Family	1	100%
Ms. Semon Luk	Million Way *(Note 1)*	Family	1	100%
Ms. Semon Luk	Surplus Way Profits Limited ("Surplus Way") *(Note 2)*	Family	1	100%
Ms. Semon Luk	Dragonlott Entertainment Group Limited ("DEG") *(Note 2)*	Family	207,919,714	59.31%
Ms. Semon Luk	Emperor Entertainment Hotel Limited ("EEH") *(Note 3)*	Family	743,227,815	57.50%
Ms. Semon Luk	Velba Limited ("Velba") *(Note 4)*	Family	1	100%
Ms. Semon Luk	New Media Group Holdings Limited ("NMG") *(Note 4)*	Family	450,000,000	75%
Ms. Semon Luk	Allmighty Group Limited ("Allmighty Group") *(Note 5)*	Family	100	100%
Ms. Semon Luk	Emperor Watch & Jewellery Limited ("EWJ") *(Note 5)*	Family	3,409,480,000	65.38%

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

(b) Long position interests in associated corporations – continued

(ii) Share options

Name of director	Name of associated corporation	Capacity/nature of interests	Number of underlying shares held	Approximate percentage holding
Mr. Wong Chi Fai	EEH *(Note 6)*	Beneficial owner	5,000,000	0.39%
Ms. Vanessa Fan	EEH *(Note 6)*	Beneficial owner	5,000,000	0.39%

Notes:

1. 2,071,851,364 shares of the Company were held by Charron, which is also the holding company of Eternally Smart. The entire issued share capital of Charron was held by Million Way which was in turn wholly-owned by STC International, the trustee of the AY Trust. Dr. Albert Yeung, as founder of the AY Trust, was deemed to have an interest in the share capital of Charron, Million Way, STC International and the said shares in the Company held by Charron. By virtue of being the spouse of Dr. Albert Yeung, Ms. Semon Luk, a director of the Company, was also deemed to have an interest in the same shares.

2. DEG is a company with its shares listed in Hong Kong; 207,919,714 shares (24,285,714 of which represents conversion shares assuming full exercise of the convertible bond issued by DEG) of DEG were held by Surplus Way. The entire issued share capital of Surplus Way was held by Million Way which was wholly-owned by STC International, the trustee of the AY Trust. Dr. Albert Yeung, as founder of the AY Trust, was deemed to have an interest in the share capital of Surplus Way and the said shares in DEG held by Surplus Way. By virtue of being the spouse of Dr. Albert Yeung, Ms. Semon Luk was also deemed to have an interest in the same shares.

3. EEH is a company with its shares listed in Hong Kong; 743,227,815 shares of EEH were held by Worthly Strong Investment Limited ("Worthly Strong"). The entire issued capital of Worthly Strong was indirectly owned by the Company. 2,071,851,364 shares of the Company were held by Charron as at 31st March, 2010. The entire issued share capital of Charron was held by Million Way which was in turn wholly-owned by STC International, being the trustee of the AY Trust. Dr. Albert Yeung, as founder of the AY Trust, was deemed to have an interest in the said shares in EEH held by Worthly Strong. By virtue of being the spouse of Dr. Albert Yeung, Ms. Semon Luk, a director of the Company, was also deemed to have an interest in the same shares.

4. NMG is a company with its shares listed in Hong Kong; 450,000,000 shares of NMG were held by Velba. The entire issued share capital of Velba was held by Million Way which was in turn wholly-owned by STC International, being the trustee of the AY Trust. Dr. Albert Yeung, as founder of the AY Trust, was deemed to have an interest in the share capital of Velba and the said shares in NMG held by Velba. By virtue of being the spouse of Dr. Albert Yeung, Ms. Semon Luk was also deemed to have an interest in the same shares.

5. EWJ is a company with its shares listed in Hong Kong; 3,409,480,000 shares of EWJ were held by Allmighty Group, a wholly-owned subsidiary of Million Way. Million Way was held by STC International which is the trustee of the AY Trust. Dr. Albert Yeung, as the founder of the AY Trust, was deemed to have an interest in the share capital of Allmighty Group and the said shares in EWJ held by Allmighty Group. By virtue of being the spouse of Dr. Albert Yeung, Ms. Semon Luk was also deemed to have an interest in the same shares.

6. These were share options granted to Directors under the share option scheme of EEH.

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

Save as disclosed above, as at 31st March, 2010, none of the Directors, chief executives nor their associates had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations.

SHARE OPTIONS

The Company adopted a share option scheme (the "Scheme") on 9th September, 2003. Particulars of the Scheme and summary of the number of share options are set out in note 39 to the consolidated financial statements:

A summary of the number of share options outstanding during the Year is set out as follows:

Director	**Date of grant**	**Exercise period**	**Exercise price** HK$	**Number of share options outstanding at 1.4.2009 and 31.3.2010**
Mr. Wong Chi Fai	11.8.2005	11.8.2005–10.8.2015	1.88	10,000,000
	28.1.2008	28.1.2008–27.1.2013	2.91	5,000,000
Ms. Vanessa Fan	11.8.2005	11.8.2005–10.8.2015	1.88	10,000,000
	28.1.2008	28.1.2008–27.1.2013	2.91	5,000,000
Mr. Cheung Ping Keung	28.1.2008	28.1.2008–27.1.2013	2.91	5,000,000
Ms. Ivy Mok	28.1.2008	28.1.2008–27.1.2013	2.91	2,500,000
				37,500,000

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS

As at 31st March, 2010, so far as is known to any Director or chief executive of the Company, the following persons or corporations (other than a Director or chief executive of the Company) who had interests and short positions in the shares, underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO or as otherwise notified to the Company were as follows:

Long position in ordinary shares of HK$0.01 each of the Company

Name of shareholder	Capacity/nature of interests	Number of ordinary shares interested or deemed to be interested	Approximate percentage holding
Charron *(Note)*	Beneficial owner	2,071,851,364	69.80%
Million Way *(Note)*	Interest in a controlled corporation	2,071,851,364	69.80%
STC International *(Note)*	Trustee of the AY Trust	2,071,851,364	69.80%
Dr. Albert Yeung *(Note)*	Founder of the AY Trust	2,071,851,364	69.80%
Penta Investment Advisers Ltd.	Investment manager	345,610,890	11.64%
John Zwaanstra	Interest in a controlled corporation	345,610,890	11.64%
UBS AG	Beneficial owner	196,995,000	6.64%
Sodikin	Beneficial owner	193,064,706	6.50%

Note: The entire issued share capital of Charron was held by Million Way which was wholly-owned by STC International, the trustee of the AY Trust. Dr. Albert Yeung, as founder of the AY Trust, was deemed to be interested in the said shares held by Charron. The said shares were the same shares as those set out under Section (a)(i) of "Directors' and Chief Executives' Interest and Short Positions in Securities" above.

Save as disclosed above, as at 31st March, 2010, the Directors or chief executives of the Company were not aware of any other person or corporation (other than the Directors and chief executives of the Company) who had any interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO or as otherwise notified to the Company.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

As at 31st March, 2010, the interests of Directors or their respective associates in the business which are considered to compete or are likely to compete, either directly or indirectly, with the business of the Group ("Competing Business") as required to be disclosed pursuant to the Listing Rules were as follows:

Name	Name of Company	Nature of interests	Competing business
Ms. Semon Luk, Director and her associate	Certain subsidiaries of the AY Trust of which Dr. Albert Yeung, associate of Semon Luk, was the founder	Substantial shareholder	Property development and investment
Ms. Vanessa Fan, Director	Bacchus International Limited and its subsidiaries	Director and substantial shareholder	Property investment

No non-competition undertaking was given by the above Directors. The properties held by the Group are mainly for commercial purpose while those held by the above Directors are mainly for residential purpose.

Save as disclosed above, as at 31st March, 2010, none of the Directors or their respective associates was interested in any business which competes or is likely to compete, either directly or indirectly, with business of the Group.

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE AND CONNECTED TRANSACTIONS

During the Year, the Group had the following transactions with Directors or companies in which certain Directors have beneficial interests:

(1) On 7th July, 2009, Worthly Strong, a wholly-owned subsidiary of the Company, entered into a sale and purchase agreement with Hidy for the acquisition of 10% equity interest in Luck United, a non wholly-owned subsidiary of EEH, and loan due to Hidy by Luck United of HK$72,938,000 ("Transaction 1"). The consideration for this acquisition was satisfied by the issue and allotment of 193,064,706 shares of the Company at HK$1.14 per share, being the market price of share of the Company at completion date and cash payment of HK$2,552,000.

    On the same date, Great Assets Holdings Limited ("Great Assets"), an indirectly wholly-owned subsidiary of EEH entered into another sale and purchase agreement with Worthly Strong, for the acquisition of 10% equity interest in Luck United together with the loan due from Luck United to Worthly Strong of HK$72,938,000 ("Transaction 2"). The consideration for this acquisition was satisfied by the issue and allotment of 281,322,857 shares of EEH at HK$0.79 per share, being the market price of share of EEH at completion date and cash payment of HK$2,552,000.

    Upon completion of the Transaction 1 and Transaction 2 on 28th August 2009, EEH's equity interest in Luck United increased from 50% to 60% whilst the Group's equity interest in EEH increased from approximately 43.43% to 55.74% and EEH became a subsidiary of the Company.

    Great Assets was then indirectly owned as to 43.43% by the AY Trust of which Dr. Albert Yeung, a deemed substantial shareholder of the Company, is the founder. By virtue of being the spouse of Dr. Albert Yeung, Ms. Semon Luk, a director of the Company, was deemed to have interest in the above transactions.

    Transaction 1 and Transaction 2 represent the related party transactions as shown in page 100 of the note 42 "Acquisition of Subsidiaries" to the consolidated financial statements and fell under the definition of "connected transactions" for the Company in Chapter 14A of the Listing Rules. The Company has complied with the disclosure requirements in accordance with such Rules.

(2) On 24th July, 2009, the Company entered into a subscription agreement with Eternally Smart to issue the convertible bond in an aggregate principal amount of HK$1,200,000,000. The convertible bond is convertible into the Company's shares at the conversion price of HK$1.2 per share during the exercise period from the date of issue to 2nd September, 2014 and it bears interest from the date of issue at a rate of the HIBOR plus 1.5% per annum.

    Eternally Smart was indirectly wholly-owned by the AY Trust. Dr. Albert Yeung is the founder of the AY Trust, a deemed substantial shareholder of the Company, and was deemed to have interest in the above transaction. By virtue of being the spouse of Dr. Albert Yeung, Ms. Semon Luk, a Director, was deemed to have interest in the said transaction.

    The transaction represents the related party transaction as shown in note 40 "Convertible Bond" to the consolidated financial statements and fell under the definition of "connected transaction" for the Company in Chapter 14A of the Listing Rules. The Company has complied with the disclosure requirements in accordance with such Rules.

CONTINUING CONNECTED TRANSACTIONS

During the Year, the Group had the following transactions with connected persons as defined in the Listing Rules:

A. Leasing of properties – Operating lease rental received

	Name of counterparty	Date of transaction	Terms	Amount for the year ended 31st March, 2010 HK$'000
(a)	Emperor Connection Limited *(note 1)*	26th May, 2008	1st April, 2008 to 31st March, 2010	2,797
		26th May, 2008	1st April, 2008 to 31st March, 2011	183
(b)	Golden Finder Limited *(note 1)*	5th February, 2009	1st February, 2009 to 31st January, 2011	721
(c)	Strong Time Investments Limited *(note 2)*	23rd April, 2008	1st April, 2008 to 31st March, 2010	4,594
		6th January, 2009	1st December, 2008 to 30th November, 2011	1,365
		6th January, 2009	1st April, 2009 to 30th November, 2011	202
(d)	Emperor Bullion Investments (Asia) Limited *(note 2)*	23rd April, 2008	1st April, 2008 to 31st March, 2011	2,667
		23rd April, 2008	10th April, 2007 to 31st March, 2010	502
(e)	Beauty Royal Limited *(note 3)*	27th January, 2010	9th February, 2010 to 22nd October, 2011	1,127
		31st March, 2009	1st May, 2009 to 30th April, 2012	6,967
		23rd October, 2008	23rd October, 2008 to 22nd October, 2011	28,500
		16th May, 2008	1st April, 2008 to 31st March, 2010	2,276
		16th May, 2008	1st April, 2008 to 31st March, 2011	41
		16th May, 2008	1st July, 2008 to 30th June, 2011	7,933

CONTINUING CONNECTED TRANSACTIONS – continued

A. Leasing of properties – Operating lease rental received – continued

	Name of counterparty	Date of transaction	Terms	Amount for the year ended 31st March, 2010 HK$'000
		20th March, 2008	1st April, 2008 to 31st March, 2011	5,784
		24th July, 2007	1st September, 2007 to 31st August, 2010	12,600
		24th July, 2007	1st September, 2007 to 31st March, 2010	1,416
		22nd June, 2007	1st April, 2007 to 31st March, 2010	2,640
		29th June, 2006	16th July, 2006 to 15th July, 2009 (terminated on 15th June, 2009)	1,050
(f)	EWJ Watch and Jewellery Company Limited *(note 3)*	25th March, 2009	1st April, 2009 to 31st March, 2012	2,027
		2nd June, 2008	1st July, 2008 to 30th June, 2011	928
(g)	Profit Broad Development Limited *(note 4)*	16th December, 2008	10th December, 2008 to 31st March, 2011	2,568
(h)	Famous Winner Holdings Limited *(note 4)*	18th September, 2007	15th September, 2007 to 14th September, 2009	197
(i)	Hong Kong Daily News, Limited *(note 5)*	16th May, 2008	1st April, 2008 to 31st March, 2010 (terminated on 31st July, 2009)	1,200
(j)	Global Food Culture Trading Limited *(note 5)*	25th April, 2008	1st April, 2008 to 31st March, 2010	627
		25th April, 2008	1st May, 2007 to 30th April, 2009	29

CONTINUING CONNECTED TRANSACTIONS – continued

A. Leasing of properties – Operating lease rental received – continued

Name of counterparty	Date of transaction	Terms	Amount for the year ended 31st March, 2010 HK$'000
(k) Ulferts of Sweden (Far East) Limited *(note 5)*	27th March, 2009	1st April, 2009 to 31st March, 2012	9,775
	12th March, 2008	1st April, 2008 to 31st March, 2010	768
	5th June, 2007	16th May, 2007 to 15th May, 2010 (terminated on 31st May, 2009)	70

Notes:

(1) Emperor Connection Limited and Golden Finder Limited were indirect wholly-owned subsidiaries of DEG. DEG is a company with its shares listed in Hong Kong which was indirectly controlled by the AY Trust (the founder of which is Dr. Albert Yeung who is the spouse of Ms. Semon Luk, a director of the Company), a deemed substantial shareholder of the Company.

(2) Strong Time Investments Limited and Emperor Bullion Investments (Asia) Limited were indirectly wholly-owned by a discretionary trust set up by a family member of Dr. Albert Yeung, a deemed substantial shareholder of the Company.

(3) Beauty Royal Limited and EWJ Watch and Jewellery Company Limited were indirectly controlled by the AY Trust, a deemed substantial shareholder of the Company.

(4) Profit Broad Development Limited were indirectly controlled by the AY Trust, a deemed substantial shareholder of the Company. Famous Winner Holdings Limited was indirectly controlled by the AY Trust up to 23rd May, 2008.

(5) Hong Kong Daily News, Limited, Global Food Culture Trading Limited and Ulferts of Sweden (Far East) Limited were companies indirectly controlled by the AY Trust, a deemed substantial shareholder of the Company.

As included in the "Rental income from related companies" of HK$102,571,000 as shown in Note 48 "Related Party Transactions" to the consolidated financial statements, the above transactions fell under the definition of "continuing connected transactions" for the Company in Chapter 14A of the Listing Rules. The Company has complied with the disclosure requirements in accordance with such Rules.

CONTINUING CONNECTED TRANSACTIONS – continued

B. Service Agreement in relation to the operation of the Grand Emperor Hotel

Name of parties

(1) Tin Hou Limited, a company incorporated in Macau, an indirect wholly-owned subsidiary of the Company; and

(2) Sociedade de Jogos de Macau, S.A., ("SJM"), a company incorporated in Macau, which is principally engaged in gaming business in Macau and is one of the six concessionaires/ sub-concessionaries licensed to carry on casino operations in Macau. SJM has 19.99% equity interest in Luck United Holdings Limited, a company indirectly owned as to 60% by EEH which is turn indirectly owned as to 57.50% by the Company.

Nature of transaction

The provision of services comprising management services and promotion services by Tin Hou to SJM in relation to the operation of the Grand Emperor Hotel whereas Tin Hou together with the nominated junket promoter (a fellow subsidiary of Tin Hou and wholly-owned by EEH) shall be entitled to a share of the gross win and gross loss in respect of the monthly operating performance of the gaming area of the Grand Emperor Hotel and shall bear all necessary operational expenses in relation to the operation of the gaming area.

Terms

From 1st October, 2009 to termination upon occurrence of certain events, including the expiration of SJM's gambling license under the Gaming Concession Contract on 31st March, 2020 or any earlier termination thereof.

Amount for the year ended 31st March, 2010

During the year, the Group's net receipt under the agreement amounted to HK$448,596,758.

Agreed upon procedures performed by the auditors

The Directors of the Company have engaged the auditor of the Company to perform certain agreed upon procedures in respect of continuing connected transactions of the Group. The procedures, where applicable, were performed solely to assist the Directors of the Company to evaluate in accordance with Rule 14A.38 of the Listing Rules, whether the continuing connected transactions entered into by the Group for the year ended 31st March, 2010:

(a) have received the approval of the Directors of the Company;

(b) have been entered into in accordance with the terms of the relevant agreement governing such transactions;

(c) have not exceeded the relevant cap amount for the financial year ended 31st March, 2010 disclosed in previous announcements; and

(d) have been entered into in accordance with the pricing policies of the Group with reference to similar transactions with independent third parties.

CONTINUING CONNECTED TRANSACTIONS – continued

Confirmation of Independent Non-executive Directors

The independent non-executive Directors have reviewed the continuing connected transactions and the report of the auditor and have confirmed that the transactions have been entered into by the Company in the ordinary and usual course of its business, on normal commercial terms, and in accordance with the terms of the agreement governing such transactions that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

Save as disclosed above, no contracts of significance to which the Company, or any of its holding companies, fellow subsidiaries and subsidiaries was a party and in which a Director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the Year or at any time during the Year.

CONFIRMATION OF INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received from each of the independent non-executive Directors an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all of the independent non-executive Directors are independent.

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

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

PRE-EMPTIVE RIGHTS

There are no provision for pre-emptive rights under the Company's Bye-laws, or the laws of Bermuda, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

DISTRIBUTABLE RESERVES OF THE COMPANY

The contributed surplus of the Company represents the aggregate of (a) the difference between the consolidated net assets of the Company's subsidiaries and the nominal value of the Company's shares issued pursuant to the group reorganisation effective in December 1991; (b) the surplus arising on reduction of share capital effective in March 2003 and (c) the subsequent dividends paid and bonus issues by way of capitalisation of contributed surplus.

Under the Companies Act in 1981 of Bermuda, the contributed surplus of the Company is available for distribution to shareholders. However, a company cannot declare or pay a dividend or make a distribution out of contributed surplus if there are reasonable grounds for believing that:

(i) the company is, or would after the payment be, unable to pay its liabilities as they become due; or

(ii) the realisable value of the company's assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium accounts.

The Company's reserves available for distribution to shareholders as at 31st March, 2010 represented the aggregate of contributed surplus and accumulated profits amounting to HK$3,049,183,000 (2009: HK$3,017,115,000).

DONATIONS

During the Year, the Group made charitable donations amounting to approximately HK$966,000.

MAJOR SUPPLIERS AND CUSTOMERS

During the Year, the aggregate amount of revenue attributable to the Group's five largest customers represented 43% of the Group's total revenue. The largest customer accounted for 40% to the Group's total revenue.

During the Year, the aggregate amount of purchases and services received attributable to the Group's five largest suppliers represented 16% of the Group's total purchases and services received. The largest supplier accounted for 6% to the Group's total purchases and services received.

None of the Directors, their associates, or any shareholders which, to the knowledge of the Directors, owning more than 5% of the Company's issued share capital, had a beneficial interest in the share capital of any of the above major customers or suppliers of the Group.

CORPORATE GOVERNANCE

Principal corporate governance practices adopted by the Company are set out in the Corporate Governance Report on pages 33 to 38.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information publicly available to the Company and within the knowledge of the Directors of the Company as at the date of this report, the Company maintained the prescribed public float under the Listing Rules.

EVENT AFTER THE REPORTING PERIOD

Details of event after the reporting period are set out in note 46 to the consolidated financial statements.

AUDITOR

A resolution will be submitted to the forthcoming annual general meeting of the Company to re-appoint Messrs. Deloitte Touche Tohmatsu as auditor of the Company.

On behalf of the Board

Luk Siu Man, Semon
Chairperson

Hong Kong
28th June, 2010

Corporate Governance Report

The Board is committed to maintaining a high standard of corporate governance for the Company within a sensible framework. The Company has fully complied with all the provisions of the Code on Corporate Governance Practices (the "Code") as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") throughout the financial year ended 31st March, 2010.

THE BOARD

Board Composition

The Board is responsible for the leadership, control and promotion of the success of the Group by directing and supervising its business operations in the interests of the shareholders and by formulating strategic directions and monitoring the financial and management performance of the Group.

As at 31st March, 2010, the Board comprised eight Directors, with one Non-executive Director who is also the Chairperson of the Company, two Managing Directors, two Executive Directors and three Independent Non-executive Directors. The biographies of the Directors are set out on pages 16 to 17 of this report under the "Biographies of Directors and Senior Executives" Section.

All Directors have been given relevant guideline materials regarding the duties and responsibilities of being a Director, the relevant laws and regulations applicable to the Directors, duty of disclosure of interest and business of the Group and such induction materials will also be provided to newly appointed Directors shortly upon their appointment as Directors of the Company.

Management Functions

Ms. Luk Siu Man, Semon has been appointed as the Chairperson since 1999. The Chairperson, with the assistance of the Company Secretary, is responsible for setting the agenda for each Board meeting, taking into account any matters proposed by the Directors. With the support of the Company Secretary, the Chairperson also ensures that all Board members work effectively and discharge their responsibility by providing timely, reliable and sufficient information on issues to be discussed at each Board meetings. All Board members are properly briefed on the issues to be discussed and the meeting material is dispatched to the Directors before the meetings.

The experienced management team implements the decisions from the Board, manages the businesses of the Group within the delegated power and authority by the Board and proposes management and investment proposals for the Board to approve. The team assumes full accountability to the Board for the operations of the Group.

Independent Non-executive Directors

The Independent Non-executive Directors are all professionals with valuable experience and expertise in legal, accounting, corporate management in business areas who would contribute impartial view and make independent judgment on issues to be discussed at Board meetings. Each of them is appointed for an initial term of one year up to 31st December, 2008 (the initial term of Mr. Law Ka Ming was started from 25th June, 2008) and continued thereafter on a yearly basis subject to early termination with written notice being served by either party.

The Company has received a confirmation of independence from each of the Independent Non-executive Directors and the Board considers each of them to be independent by reference to the factors stated in the Listing Rules. The Independent Non-executive Directors have been expressly identified as such in all corporate communications of the Company that disclose the names of Directors.

Board Meetings

The Board held fourteen Board meetings during the year ended 31st March, 2010 with the attendance by each Director as follows:

Name of director	Meetings attended/ No. of Board meeting	Attendance rate
Non-executive Directors		
Luk Siu Man, Semon *(Chairperson)*	14/14	100%
Executive Directors		
Wong Chi Fai	14/14	100%
Fan Man Seung, Vanessa	14/14	100%
Cheung Ping Keung	14/14	100%
Mok Fung Lin, Ivy	14/14	100%
Independent Non-executive Directors		
Chan Man Hon, Eric	14/14	100%
Liu Hing Hung	14/14	100%
Law Ka Ming, Michael	14/14	100%

Board meeting notice was sent to the Directors at least 14 days prior to regular Board meetings. The Directors have access to the advice and services of the Company Secretary and key officers of the company secretarial team regarding the Board procedures, and all applicable rules and regulations in respect of the meetings are followed. Draft and final versions of the minutes of Board meetings and Board committee meetings, drafted in sufficient details by the secretary of the meetings, were circulated to the Directors for their comment and record respectively. Originals of such minutes, being kept by the Company Secretary, are open for inspection at any reasonable time on reasonable notice by any Director.

There is a procedure agreed by the Board to ensure Directors, upon reasonable request, to seek independent professional advice in appropriate circumstances, at the Company's expenses.

If a Director has a conflict of interest in a matter to be considered by the Board which the Board has determined to be material, the Director will abstain from voting on the relevant board resolution in which he/she or any of his/her associates have a material interest and that he/she shall not be counted in the quorum present at the board meeting.

Delegation by the Board

To assist the Board in execution of its duties and facilitate effective management, certain functions of the Board have been delegated by the Board to the Audit Committee and Remuneration Committee. The Company has not established any nomination committee.

The Board set up the Audit Committee and Remuneration Committee on 23rd September, 2004 and 19th July, 2005 respectively. The members of the Committees consist mainly of Independent Non-executive Directors. Clear written terms of reference are given to the members of these two Committees. Details of these two Committees are set out below:

1. *Audit Committee*

   The Audit Committee consists of three Independent Non-executive Directors, namely Messrs. Chan Man Hon, Eric (Chairman of the Committee), Liu Hing Hung and Law Ka Ming, Michael. The Audit Committee is primarily responsible for making recommendations to the Board on the appointment and removal of the external auditor, to approve the remuneration and terms of engagement of external auditor, review financial information and oversight of the financial reporting system and internal control procedures. The specific written terms of reference of the Audit Committee, which was re-adopted by the Board on 24th March, 2009 in light of the relevant amendments to the Listing Rules, are available at the Company's website.

   The Audit Committee convened three meetings during the year ended 31st March, 2010 with the attendance of each committee member as follows:

Name of director	Meetings attended/ No. of meeting	Attendance rate
Chan Man Hon, Eric	3/3	100%
Liu Hing Hung	3/3	100%
Law Ka Ming, Michael	3/3	100%

   A summary of the work performed by the Audit Committee during the financial year ended 31st March, 2010 is set out below:

   i. reviewed with the senior management and finance-in-charge and/or the external auditor the accounting principles and practices adopted by the Group, the accuracy and fairness of the annual and interim financial statements for the financial year ended 31st March, 2009 and for the six-months ended 30th September, 2009 respectively;

   ii. approved the audit fee for the financial year 2008–2009;

   iii. met with the external auditor and reviewed their work and findings relating to the annual audit for the year ended 31st March 2009 and the effectiveness of the audit process;

   iv. reviewed with senior management and finance-in-charge the effectiveness of the internal control system of the Group;

   v. annual review of the non-exempt continuing connected transactions;

   vi. approved the audit plans for the financial year ended 31st March, 2010 and reviewed the external auditor's independence and recommended the Board on the re-appointment of external auditor; and

   vii. noted the impact to the Group in respect of the amendments to the accounting principles and standards and the development of corporate governance.

2. *Remuneration Committee*

The Remuneration Committee consists of three members, namely Mr. Wong Chi Fai (Chairman of the Committee) being the Managing Director, Mr. Liu Hing Hung and Mr. Law Ka Ming, Michael, both being Independent Non-executive Directors. The primary duties of the Remuneration Committee are making recommendation to the Board on Company's policy and structure for all remuneration of Directors and senior management and determining specific remuneration packages of all Executive Directors and senior management. Details of the remuneration of each of the Directors for the year ended 31st March, 2010 are set out in note 13 to the consolidated financial statements. The specific written terms of reference of the Remuneration Committee are available at the Company's website.

The Remuneration Committee convened two meetings during the year ended 31st March, 2010 with the attendance by each committee member as follows:

Name of director	Meetings attended/ No. of meeting	Attendance rate
Wong Chi Fai	2/2	100%
Liu Hing Hung	2/2	100%
Law Ka Ming, Michael	2/2	100%

A summary of the work performed by the Remuneration Committee during the year ended 31st March, 2010 is set out as follows:

i. reviewed the remuneration structure/package of the non-executive Directors and made recommendation to the Board on their remuneration; and

ii reviewed and determined the remuneration structure/package of the Executive Directors.

Emolument Policy

The Company has adopted a written remuneration policy to ensure that there is a clear link to business strategy and a close alignment with shareholders' interest and current best practice, and aims to ensure that the Directors are rewarded fairly for their respective individual contributions to the Group's performance.

No individual should determine his or her own remuneration. Independent Non-executive Directors are paid fees in line with market practice. The emoluments of the Executive Directors are decided by the Remuneration Committee having regard to the Company's operating results, individual performance and comparable market statistics. Remuneration package includes basic salaries, director's fee, ad hoc rewards, performance related incentive payment, share-based payments and other benefits. Particulars of the share option scheme of the Company and number of share options granted to the Directors of the company are set out in note 39 to the consolidated financial statements.

Directors' Securities Transactions

The Company has adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard of dealings as set out in Appendix 10 of the Listing Rules. Having made specific enquiry to all Directors of the Company, all the Directors confirmed that they have complied with the required standard of dealings and its code of conduct regarding securities transactions throughout the year ended 31st March, 2010.

ACCOUNTABILITY AND AUDIT

Financial Reporting

The Directors acknowledged their responsibilities to prepare the accounts of the Group and other financial disclosures required under the Listing Rules and the management has provided such explanation and information to the Board to enable it to make an informed assessment of the financial and other Board decisions. The Directors believed that they have selected suitable accounting policies and applied them consistently, made judgment and estimates that are prudent and reasonable and ensured the financial statements are prepared on a "going concern" basis. The auditor of the Company has made a statement about their reporting responsibilities in the Independent Auditor's Report.

Internal Controls

The Board is responsible for maintaining and reviewing the effectiveness of the Group's internal control system. The internal control system is implemented to minimize the risks to which the Group is exposed and used as a management tool for the day-to-day operation of business. The system can only provide reasonable but not absolute assurance against misstatements or losses.

During the financial year ended 31st March, 2010, the Board had conducted a review of the effectiveness of the system of internal control of the Company and its subsidiaries. It had formulated an internal self-assessment process of all material controls including financial, operational and compliance controls and risk management functions and the internal audit department is assigned with the task to perform regular reviews on selected systems of the Group and would report audit review findings or irregularities, if any, to management and advise on the implementation of necessary steps of systems to enhance operational or financial controls.

During the year under review, the management had analyzed the control environment and risk assessment, identified the various control systems implemented and agreed with the Audit Committee on the scope of review. The approach of the review includes conducting interviews with relevant management and staff members, reviewing relevant documentation of the internal control system and evaluating findings on any deficiencies in the design of the internal controls and developing recommendations for improvement, where appropriate.

The Audit Committee has made recommendation to the Board that the management has discharged its duty to have an effective internal controls system.

COMMUNICATION WITH SHAREHOLDERS

The Company communicates with the shareholders mainly in the following ways: (i) the holding of annual general meetings which provide an opportunity for the shareholders to communicate directly with the Board; (ii) the publication of announcements, annual reports, interim reports and/ or circulars as required under the Listing Rules and press releases of the Company providing updated information of the Group; and (iii) the availability of latest information of the Group in our website; and (iv) the holding of press conference from time to time.

There is regular dialogue with institutional shareholders and general presentations are made when financial results are announced. Shareholders and investors are welcome to visit the Company's website and raise enquires through our Investor Relations Department whose contact details are available on the Company's website.

In order to protect the environment and save costs for the benefit of shareholders, the Company has introduced the electronic means of corporate communication in December 2009. Shareholders may elect to receive printed or electronic copies of corporate communication. However, shareholders are encouraged to access corporate communication from the Company through the Company's website at http://www.emp163.com. We believe that it is also the most efficient and convenient method of communication with shareholders.

Separate resolutions are proposed at the general meetings for such substantial issues, including the re-election of retiring Directors.

The Company's notice to shareholders for the 2009 annual general meeting was sent to shareholders at least 20 clear business days before the meeting and notices of all other general meetings were sent to shareholders at least 10 clear business days before the meetings.

The chairperson of the annual general meeting and the chairman of each of the Audit Committee and the Remuneration Committee were available at the last annual general meeting held on 3rd September, 2009. The chairman/member of the independent board committee was also available at each of the special general meetings held on 3rd September, 2009 and 4th March, 2010 to answer questions from the independent shareholders of the Company for approving connected transactions. The chairpersons of such general meetings had explained the procedures for conducting a poll during the general meetings.

AUDITOR'S INDEPENDENCE AND REMUNERATION

The Audit Committee is mandated to review and monitor the independence of the external auditor to ensure objectivity and the effectiveness of the audit process of the financial statements in accordance with applicable standard. Members of the Committee were of the view that the Company's auditor, Messrs. Deloitte Touche Tohmatsu are independent and recommended to the Board to re-appoint it as the Company's external auditor at the forthcoming annual general meeting.

During the year under review, Messrs. Deloitte Touche Tohmatsu has rendered audit services and certain non-audit services to the Company and the remuneration payable/paid to it by the Company is set out as follows:

Service rendered	**Fees paid/payable** HK$'000
Audit services	4,826
Non-audit services	1,602

Deloitte.
德勤

TO THE MEMBERS OF
EMPEROR INTERNATIONAL HOLDINGS LIMITED
(incorporated in Bermuda with limited liability)

We have audited the consolidated financial statements of Emperor International Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 41 to 111, which comprise the consolidated statement of financial position as at 31st March, 2010, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Directors' responsibility for the consolidated financial statements

The directors of the Company are responsible for the preparation and the true and fair presentation of these consolidated financial statements in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with Section 90 of the Bermuda Companies Act, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and true and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Group as at 31st March, 2010 and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong

28th June, 2010

Consolidated Statement of Comprehensive Income

For the year ended 31st March, 2010

	Notes	2010 HK$'000	2009 HK$'000
Revenue	7	1,449,773	348,170
Cost of sales		(231,348)	–
Cost of hotel and hotel related operations		(238,685)	(28,607)
Direct operating expenses		(15,161)	(16,027)
Gross profit		964,579	303,536
Other income	9	23,967	10,582
Fair value change in investment properties		2,460,495	(1,586,109)
Reversal (recognition) of impairment losses	10	25,333	(172,120)
Selling and marketing expenses		(159,995)	(11,690)
Administrative expenses		(180,347)	(117,416)
Write back of allowance for bad and doubtful debts of trade and other receivables, net		416	197
Finance costs	11	(107,648)	(122,932)
Share of results of associates		184,942	12,621
Discount on acquisition of subsidiaries	42	102,552	–
Discount on acquisition of additional interest in subsidiaries	42	20,616	–
Profit (loss) before taxation	12	3,334,910	(1,683,331)
Taxation (charge) credit	14	(410,052)	145,915
Profit (loss) for the year		2,924,858	(1,537,416)
Other comprehensive income			
Exchange differences arising on translation of foreign subsidiaries		3,942	31,646
Share of other comprehensive income of an associate			
– Translation difference		152	2,922
– Asset revaluation surplus		–	3,682
Asset revaluation surplus	42	28,784	–
Effect of change in tax rate		–	455
Other comprehensive income for the year (net of tax)		32,878	38,705
Total comprehensive income (expense) for the year		2,957,736	(1,498,711)
Profit (loss) for the year attributable to:			
Owners of the Company		2,798,005	(1,536,985)
Minority interests		126,853	(431)
		2,924,858	(1,537,416)
Total comprehensive income (expense) attributable to:			
Owners the Company		2,830,464	(1,498,326)
Minority interests		127,272	(385)
		2,957,736	(1,498,711)
Earnings (loss) per share	16		
Basic		HK$1.44	(HK$0.87)
Diluted		HK$1.16	(HK$0.87)

Consolidated Statement of Financial Position

At 31st March, 2010

	Notes	2010 HK$'000	2009 HK$'000
Non-current assets			
Investment properties	17	13,332,798	6,180,610
Property, plant and equipment	18	1,187,133	293,298
Properties under development	19	–	831,914
Deposits paid for acquisition of investment properties/property, plant and equipment		60,731	32,830
Prepaid lease payments	20	598,738	734,067
Interests in associates	21	142	800,462
Amount due from an associate	22	2,645	2,645
Deposits in designated bank account for development properties	31	198,892	220,934
Loans receivable	23	1,784	1,862
Goodwill	24	56,683	1,940
Other assets	25	4,442	4,442
		15,443,988	9,105,004
Current assets			
Inventories	26	7,343	543
Properties held for sale	27	18,467	27,055
Properties under development	28	2,460,641	1,019,476
Prepaid lease payments	20	13,359	14,550
Trade and other receivables	29	445,226	140,295
Investments in trading securities	30	1	90
Taxation recoverable		32	10,293
Pledged bank deposit	32	300	–
Bank balances and cash	32	892,256	322,761
		3,837,625	1,535,063
Current liabilities			
Trade and other payables	33	695,875	748,905
Amount due to a related company	34	–	1,880,980
Amount due to an associate	22	–	3
Amounts due to minority shareholders of subsidiaries	35	136,532	19,504
Taxation payable		159,053	4,320
Secured bank borrowings – due within one year	36	1,797,350	1,226,529
		2,788,810	3,880,241
Net current assets (liabilities)		1,048,815	(2,345,178)
Total assets less current liabilities		16,492,803	6,759,826

Consolidated Statement of Financial Position

At 31st March, 2010

	Notes	2010 HK$'000	2009 HK$'000
Non-current liabilities			
Amount due to a related company	34	1,697,876	–
Amounts due to minority shareholders of subsidiaries	35	162,334	–
Secured bank borrowings – due after one year	36	3,433,336	1,794,586
Deferred taxation	37	679,557	173,274
		5,973,103	1,967,860
		10,519,700	4,791,966
Capital and reserves			
Share capital	38	29,683	17,752
Reserves		8,968,855	4,774,512
Equity attributable to the owners of the Company		8,998,538	4,792,264
Minority interests		1,521,162	(298)
		10,519,700	4,791,966

The consolidated financial statements on pages 41 to 111 were approved and authorised for issue by the Board of Directors on 28th June, 2010 and are signed on its behalf by:

Wong Chi Fai
DIRECTOR

Fan Man Seung, Vanessa
DIRECTOR

Consolidated Statement of Changes in Equity

For the year ended 31st March, 2010

	Share capital HK$'000	Share premium HK$'000	Convertible bond equity reserve HK$'000	Translation reserve HK$'000	Share option reserve HK$'000	Asset revaluation reserve HK$'000	Other reserve HK$'000	Contributed surplus HK$'000	Accumulated profits HK$'000	Total equity attributable to owners of the Company HK$'000	Minority interests HK$'000	Total HK$'000
At 1st April, 2008	17,752	2,761,028	–	51,216	20,987	102,113	110	526,334	2,920,883	6,400,423	70	6,400,493
Exchange differences arising on translation of foreign subsidiaries	–	–	–	31,600	–	–	–	–	–	31,600	46	31,646
Share of other comprehensive income of an associate	–	–	–	2,922	–	3,682	–	–	–	6,604	–	6,604
Effect of change in tax rate	–	–	–	–	–	455	–	–	–	455	–	455
Loss for the year	–	–	–	–	–	–	–	–	(1,536,985)	(1,536,985)	(431)	(1,537,416)
Total comprehensive income (expense) for the year	–	–	–	34,522	–	4,137	–	–	(1,536,985)	(1,498,326)	(385)	(1,498,711)
Reserve released upon deregistration of a subsidiary	–	–	–	–	–	–	–	58	–	58	–	58
Depreciation attributable to revaluation surplus	–	–	–	–	–	(882)	–	–	1,056	174	–	174
Deemed acquisition of additional interest in a subsidiary	–	–	–	–	–	–	–	–	–	–	17	17
Dividend paid to owners of the Company – final dividend for 2008	–	–	–	–	–	–	–	(110,065)	–	(110,065)	–	(110,065)
At 31st March, 2009	17,752	2,761,028	–	85,738	20,987	105,368	110	416,327	1,384,954	4,792,264	(298)	4,791,966

Consolidated Statement of Changes in Equity

For the year ended 31st March, 2010

	Share capital HK$'000	Share premium HK$'000	Convertible bond equity reserve HK$'000	Translation reserve HK$'000	Share option reserve HK$'000	Asset revaluation reserve HK$'000	Other reserve HK$'000	Contributed surplus HK$'000	Accumulated profits HK$'000	Total equity attributable to owners of the Company HK$'000	Minority interests HK$'000	Total HK$'000
At 1st April, 2009	17,752	2,761,028	–	85,738	20,987	105,368	110	416,327	1,384,954	4,792,264	(298)	4,791,966
Exchange differences arising on translation of foreign subsidiaries	–	–	–	3,523	–	–	–	–	–	3,523	419	3,942
Share of other comprehensive income of an associate	–	–	–	152	–	–	–	–	–	152	–	152
Asset revaluation surplus attributable to the previous interest in an associate, net of tax of HK$3,925,000 *(note 42)*	–	–	–	–	–	28,784	–	–	–	28,784	–	28,784
Profit for the year	–	–	–	–	–	–	–	–	2,798,005	2,798,005	126,853	2,924,858
Total comprehensive income for the year	–	–	–	3,675	–	28,784	–	–	2,798,005	2,830,464	127,272	2,957,736
Depreciation attributable to revaluation surplus	–	–	–	–	–	(1,425)	–	–	1,672	247	–	247
Acquisition of subsidiaries *(note 42)*	–	–	–	–	–	–	–	–	–	–	1,438,374	1,438,374
Issue of shares	1,931	218,163	–	–	–	–	–	–	–	220,094	–	220,094
Acquisition of additional interest in a subsidiary	–	–	–	–	–	–	–	–	–	–	(41,119)	(41,119)
Recognition of equity component of convertible bond *(note 40)*	–	–	470,579	–	–	–	–	–	–	470,579	–	470,579
Issue of shares upon conversion of convertible bond *(note 40)*	10,000	1,239,948	(470,579)	–	–	–	–	–	–	779,369	–	779,369
Deemed capital contribution arising from changes in cash flow estimates on amounts due to minority shareholders of a subsidiary	–	–	–	–	–	–	–	–	–	–	10,665	10,665
Dividend paid to owners of the Company – interim dividend for 2010	–	–	–	–	–	–	–	(94,479)	–	(94,479)	–	(94,479)
Dividend paid to minority interests – interim dividend for 2010	–	–	–	–	–	–	–	–	–	–	(13,732)	(13,732)
At 31st March, 2010	29,683	4,219,139	–	89,413	20,987	132,727	110	321,848	4,184,631	8,998,538	1,521,162	10,519,700

The contributed surplus of the Group represents the aggregate of (a) the difference between the sum of the nominal amount of the share capital and share premium of the subsidiaries at the date on which they were acquired by the Group and the nominal amount of the share capital issued as consideration for the acquisition; and (b) the surplus arising on reduction of share capital effective in March 2003; less (c) subsequent dividend paid and bonus issues by way of capitalisation of contributed surplus.

Consolidated Statement of Cash Flows

For the year ended 31st March, 2010

	2010 HK$'000	2009 HK$'000
Cash flows from operating activities		
Profit (loss) before taxation	3,334,910	(1,683,331)
Adjustments for:		
Discount on acquisition of subsidiaries	(102,552)	–
Discount on acquisition of additional interest in subsidiaries	(20,616)	–
Loss on disposal of subsidiaries	–	58
Loss on deemed acquisition of additional interest in a subsidiary	–	17
Interest income	(2,995)	(2,734)
Interest expenses	103,986	119,922
Release of prepaid lease payments	9,822	4,772
Depreciation	73,864	25,234
Share of results of associates	(184,942)	(12,621)
Gain on disposal of property, plant and equipment	(235)	(2)
Written off of property, plant and equipment	57,303	–
(Reversal) recognition of impairment losses	(25,333)	172,120
Change in fair value of trading securities	89	71
Change in fair value of investment properties	(2,460,495)	1,586,109
Write back of allowance for bad and doubtful debts of trade and other receivables, net	(416)	(197)
Operating cash flows before movements in working capital	782,390	209,418
(Increase) decrease in inventories	(1,537)	76
Increase in properties under development	(1,334,123)	(287,926)
Decrease in properties held for sale	231,349	–
Increase in trade and other receivables	(13,458)	(32,346)
(Decrease) increase in trade and other payables	(456,559)	384,211
Decrease in amount due to an associate	–	(295)
Net cash (used in) generated from operations	(791,938)	273,138
Interest received from bank deposits and other receivables	2,995	2,734
Hong Kong Profits Tax refunded	–	129
Hong Kong Profits Tax paid	(9,958)	(4,118)
PRC Enterprise Income Tax paid	(7,546)	(9,877)
Net cash (used in) generated from operating activities	(806,447)	262,006

Consolidated Statement of Cash Flows

For the year ended 31st March, 2010

	Notes	2010 HK$'000	2009 HK$'000
Cash flows from investing activities			
Purchase of investment properties and costs incurred for investment properties under development		(2,423,864)	(1,211,957)
Prepaid lease payments paid		(27,865)	(191,719)
Additional costs incurred on properties under development		–	(87,998)
Purchase of property, plant and equipment		(48,241)	(81,867)
Deposits made on acquisition of investment properties/property, plant and equipment		(45,967)	(32,830)
Decrease in pledged bank deposits		22,748	470,258
Proceeds from disposal of investment properties		383,318	147,300
Dividend received from an associate		–	17,566
Decrease in loans receivable		78	78
Proceeds from disposal of property, plant and equipment		343	18
Net cash inflow arising from acquisition of subsidiaries	42	661,951	–
Acquisition of additional interests in subsidiaries	42	(20,503)	–
Net cash used in investing activities		(1,498,002)	(971,151)
Cash flows from financing activities			
New bank loans raised		7,287,038	5,777,000
Advance from a related company		3,694,435	1,773,216
Repayment of bank loans		(5,232,158)	(4,984,927)
Repayment of advance from a related company		(2,677,539)	(1,467,746)
Interest on bank and other borrowings paid		(70,254)	(123,794)
Dividends paid to owners of the Company		(94,479)	(110,065)
Dividends paid to minority interests of subsidiaries		(24,030)	–
Repayment to minority shareholders of subsidiaries		(10,000)	–
Net cash generated from financing activities		2,873,013	863,684
Net increase in cash and cash equivalents		568,564	154,539
Cash and cash equivalents at beginning of the year		322,761	160,709
Effect of exchange rate changes		931	7,513
Cash and cash equivalents at end of the year, representing bank balances and cash		892,256	322,761

1. General

The Company is incorporated in Bermuda as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). It's immediate holding company is Charron Holdings Limited, a limited liability company incorporated in British Virgin Islands. It's ultimate holding company is Million Way Holdings Limited, a limited liability company incorporated in British Virgin Islands. The address of the registered office and principal place of business of the Company are disclosed in the corporate information of the annual report.

The consolidated financial statements are presented in Hong Kong dollars which is the functional currency of the Company.

The Company is an investment holding company. The principal activities of its subsidiaries are set out in note 49.

2. Application of New and Revised Hong Kong Financial Reporting Standards ("HKFRSs")

In the current Year, the Group has applied the following new and revised Standards, Amendments and Interpretations ("New and Revised HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

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

* IFRIC represents the International Financial Reporting Interpretations Committee.

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

2. Application of New and Revised Hong Kong Financial Reporting Standards ("HKFRSs") – continued

New and Revised HKFRSs affecting presentation and disclosure only

HKAS 1 (Revised 2007) Presentation of financial statements

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

HKFRS 8 Operating segments

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

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

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

New and Revised HKFRS affecting the reported results and financial position

Amendments to HKAS 40 Investment property

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

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

2. Application of New and Revised Hong Kong Financial Reporting Standards ("HKFRSs") – continued

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

1 Effective for annual periods beginning on or after 1st July, 2009.
2 Amendments that are effective for annual periods beginning on or after 1st July, 2009 and 1st January, 2010, as appropriate.
3 Effective for annual periods beginning on or after 1st July, 2010 and 1st January, 2011, as appropriate.
4 Effective for annual periods beginning on or after 1st January, 2010.
5 Effective for annual periods beginning on or after 1st February, 2010.
6 Effective for annual periods beginning on or after 1st July, 2010.
7 Effective for annual periods beginning on or after 1st January, 2011.
8 Effective for annual periods beginning on or after 1st January, 2013.

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

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

2. Application of New and Revised Hong Kong Financial Reporting Standards ("HKFRSs") – continued

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

The directors of the Company anticipate that the application of the other New and Revised HKFRSs will have no material impact on the consolidated financial statements.

3. Significant Accounting Policies

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments which are adjusted to fair value at initial recognition and investment properties which are measured at fair values as explained in the accounting policies set out below.

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and by the Hong Kong Companies Ordinance.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Minority interests in the net assets of consolidated subsidiaries are presented separately from the Group's equity therein. Minority interests in the net assets consist of the amount of those interests at the date of the original business combination and the minority interests' share of changes in equity since the date of the combination. Losses applicable to the minority interests in excess of those interests in the subsidiary's equity are allocated against the interests of the Group except to the extent that the minority interests have a binding obligation and is able to make an additional investment to cover the losses.

3. Significant Accounting Policies – continued

Business combinations

The acquisition of businesses is accounted for using the purchase method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under HKFRS 3 "Business Combinations" are recognised at their fair values at the acquisition date.

Business combinations achieved in stages are accounted for individually, and goodwill or discount, as appropriate, arising from the acquisition at each stage is determined using the cost of the acquisition and fair value of the net identifiable assets acquired at each stage. Any adjustments to the fair value of the net identifiable assets attributable to the previously held equity interest are recognised in other comprehensive income and included in asset revaluation reserve.

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognised immediately in profit or loss.

The interest of minority shareholders in the acquiree is initially measured at the minority's proportion of the net fair value of the assets, liabilities and contingent liabilities recognised.

Acquisition of additional interests of subsidiaries

Acquisition of additional interests of subsidiaries that do not result in change in control do not fall within the definition of business combination under HKFRS 3 "Business Combinations". The excess of the cost of acquisition over the carrying value of assets and liabilities of the subsidiary attributable to the additional interest acquired is recognised as goodwill. If the carrying value of assets and liabilities of the acquiree attributable to the additional interest acquired exceeds the cost of acquisition, the excess is recognised immediately in profit or loss.

Goodwill

Goodwill arising on an acquisition of a business is carried at cost less any accumulated impairment losses and is presented separately in the consolidated statement of financial position.

For the purposes of impairment testing, goodwill arising from an acquisition of subsidiary is allocated to each of the relevant cash-generating units ("CGUs"), or groups of CGUs, that are expected to benefit from the synergies of the acquisition. A CGU to which goodwill has been allocated is tested for impairment annually, and whenever there is an indication that the unit may be impaired. For goodwill arising on an acquisition in a financial year, the CGU to which goodwill has been allocated is tested for impairment before the end of that financial year. When the recoverable amount of the CGU is less than the carrying amount of the unit, the impairment loss is allocated to reduce the carrying amount of any goodwill allocated to the unit first, and then to the other assets of the unit pro rata on the basis of the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss for goodwill is not reversed in subsequent periods.

On disposal of the relevant CGU, the attributable amount of goodwill capitalised is included in the determination of the amount of profit or loss on disposal.

3. Significant Accounting Policies – continued

Interests in associates

An associate is an entity over which the investor has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in the consolidated financial statements using the equity method of accounting. Under the equity method, investments in associates are carried in the consolidated statement of financial position at cost as adjusted for post-acquisition changes in the Group's share of net assets of the associate, less any identified impairment loss. When the Group's share of losses of an associate equals or exceeds its interest in that associate, the Group discontinues recognising its share of further losses. An additional share of losses is provided for and a liability is recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of that associate.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is not tested for impairment separately. Instead, the entire carrying amount of the investment is tested for impairment as a single asset. Any impairment loss recognised is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment in the associate. Any reversal of impairment loss is recognised to the extent that the recoverable amount of the investment subsequently increases.

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation.

On initial recognition, investment properties are measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are measured at fair value using the fair value model. Gains or losses arising from changes in the fair value of investment properties are included in profit or loss for the period in which they arise.

From 1st April, 2009, investment properties under construction or development have been accounted for in the same way as completed investment properties. Specifically, construction costs incurred for investment properties under construction or development are capitalised as part of the carrying amount of the investment properties under construction or development. Investment properties under construction or development are measured at fair value at the end of the reporting period. Any difference between the fair value of the investment properties under construction or development and their carrying amounts is recognised in profit or loss in the period in which they arise. Prior to 1st April, 2009, the leasehold land and building elements of investment properties under construction or development were accounted separately; the leasehold land element was accounted for as an operating lease and the building element was measured at cost less impairment losses, if any.

In circumstances where the fair value of an investment property under development is not reliably determinable, such investment properties under development are measured at cost using the cost model in HKAS 16 "Property, plant and equipment" until either its fair value becomes reliably determinable or construction is completed, whichever is the earlier.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use or no future economic benefits are expected from its disposals. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss in the period in which the item is derecognised.

3. Significant Accounting Policies – continued

Investment properties – continued

Transfer from investment property to property under development for sale will be made when there is a change in use, evidenced by commencement of development of properties with a view to sale. The fair value of the investment property at the date of change in use will be the deemed cost for subsequent accounting.

Property interests held under operating lease classified as an investment property is accounted for as if it were a finance lease and measured under the fair value model. The Group shall continue to account for the lease as a finance lease, even if subsequent event changes the nature of the property interest so that it is no longer classified as investment property.

Property, plant and equipment

Property, plant and equipment including buildings held for use in the production or supply of goods or services, or for administrative purposes are stated at cost or deemed cost which is the fair value at the date of transfer from investment property, less subsequent accumulated depreciation and accumulated impairment losses.

Advantage has been taken of the transitional relief provided by HKAS16 "Property, plant and equipment" from the requirement to make regular revaluations of the Group's land and buildings which had been carried at revalued amounts prior to 30th September, 1995, and accordingly no further revaluation of land and buildings is carried out. Prior to 30th September, 1995, the revaluation increase arising on the revaluation of these assets was credited to the asset revaluation reserve. Any future decreases in value of these assets will be dealt with as an expense to the extent that they exceed the balance, if any, on the asset revaluation reserve relating to a previous revaluation of the same asset. On the subsequent sale or retirement of a revalued asset, the corresponding revaluation surplus is transferred to accumulated profits.

Depreciation is provided to write off the cost of items of property, plant and equipment over their estimated useful lives and after taking into account of their estimated residual value, using the straight line method.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the profit or loss in the period in which the item is derecognised.

Transfer of asset revaluation reserve to accumulated profits is made in relation to: (i) the subsequent sale or retirement of a revalued item; (ii) the excess of the depreciation based on the revalued amount of the item over depreciation based on the item's original cost.

Property under development – non-current

Property under development for future owner-occupied purpose

When the leasehold land and buildings are in the course of development for production or for administrative purposes, the leasehold land component is classified as a prepaid lease payment and amortised over a straight line basis over the lease term. During the construction period, the amortisation charge provided for the leasehold land is included as part of costs of buildings under construction. Buildings under construction are carried at cost, less any identified impairment losses. Depreciation of buildings commences when they are available for use (i.e. when they are in the location and condition necessary for them to be capable of operating in the manner intended by management).

Property under development for future owner-occupied purpose is transferred to property under development for sale when there is a change in use of property with a view to sale in the ordinary course of business.

3. Significant Accounting Policies – continued

Property under development – non-current – continued

Investment properties under development

Prior to 1st April, 2009, property that was being constructed or developed for future use as an investment property was included in property under development until construction or development was completed, at which time it was reclassified to and subsequently accounted for as an investment property. Any difference between the fair value of the property at that date and its previous carrying amount was recognised in profit or loss. Upon the adoption of amendments to HKAS 40, the property has been reclassified as an investment property as at 1st April, 2009 (see note 2).

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Impairment of assets (other than goodwill and financial assets)

At the end of each reporting period, the Group reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately.

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessor

Rental income from operating leases is recognised in profit or loss on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense on a straight line basis over the lease term.

The Group as lessee

Operating lease payments are recognised as an expense on a straight line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are recognised as a reduction of rental expense over the lease term on a straight line basis.

Leasehold land and building

The land and building elements of a lease of land and building are considered separately for the purpose of lease classification, unless the lease payments cannot be allocated reliably between the land and building elements, in which case, the entire lease is classified as a finance lease and accounted for as property, plant and equipment. To the extent the allocation of the lease payments can be made reliably, leasehold interests in land are accounted for as operating leases and amortised over the lease term on a straight line basis except for those classified and accounted for as investment properties under the fair value model.

3. Significant Accounting Policies – continued

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the first-in, first-out method.

Properties held for sale

Properties for sale are completed properties and are classified under current assets and are stated at the lower of cost and net realisable value.

The Group transfers a property from property held for sale to investment property when there is a change of intention to hold the property to earn rentals which is evidenced by commencement of an operating lease to another party. Any difference between the fair value of the property at the date of transfer and its previous carrying amount is recognised in profit or loss.

Property under development

Property under development for sale in the ordinary course of business is included in current assets and stated at the lower of cost and net realisable value. Costs relating to the development of the properties include land cost, construction cost and other direct development expenditure.

Financial instruments

Financial assets and financial liabilities are recognised on the consolidated statement of financial position when a group entity becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

The Group's financial assets are classified into one of the two categories, including financial assets at fair value through profit or loss ("FVTPL") and loans and receivables. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Interest income is recognised on an effective interest basis for debt instruments.

Financial assets at fair value through profit or loss

The Group's financial assets at FVTPL are financial assets held for trading.

3. Significant Accounting Policies – continued

Financial instruments – continued

Financial assets – continued

Financial assets at fair value through profit or loss – continued

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near future;
- it is a part of an identified portfolio of financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

Financial assets at FVTPL are measured at fair value, with changes in fair value arising from remeasurement recognised directly in profit or loss in the period in which they arise. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial assets.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables (including amount due from an associate, loans receivable, trade and other receivables, pledged bank deposit and bank balances and cash) are carried at amortised cost using the effective interest method, less any identified impairment losses.

Impairment of loans and receivables

Loans and receivables are assessed for indicators of impairment at the end of the reporting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the loans and receivables, the estimated future cash flows of the loans and receivables have been affected.

For loans and receivables, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For certain categories of loans and receivables, such as trade and other receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and observable changes in national or local economic conditions that correlate with default on the receivables.

An impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate.

3. Significant Accounting Policies – continued

Financial instruments – continued

Financial assets – continued

Impairment of loans and receivables – continued

The carrying amount of the loans and receivables is reduced by the impairment loss directly with the exception of trade and other receivables, where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss. When trade and other receivables are considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss.

If, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment losses was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Financial liabilities and equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The accounting policies adopted for financial liabilities and equity instruments are set out below.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Interest expense is recognised on an effective interest basis.

Financial liabilities

Financial liabilities including trade and other payables, amounts due to a related company/an associate/minority shareholders of subsidiaries and secured bank borrowings are subsequently measured at amortised cost, using the effective interest method.

For the amounts due to minority shareholders of a subsidiary, if the Group revises its estimates of the timing of repayments, the carrying amount of the amounts due to minority shareholders of a subsidiary is adjusted to reflect the revised estimated cash flows. The Group recalculates the carrying amount by computing the present value of estimated future cash flows at the balance's original effective interest rate. The adjustment is recognised as deemed capital contribution by the minority shareholders or as an adjustment to the deemed capital contribution.

3. Significant Accounting Policies – continued

Financial instruments – continued

Financial liabilities and equity – continued

Convertible bond

Convertible bond issued by the Company contain liability, conversion option and early redemption option. Conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instrument is classified as an equity instrument. Early redemption option embedded in non-derivative host liability component with risks and characteristics that are closely related to the liability component is not separated from the liability component.

On initial recognition, the fair value of the liability component (including early redemption option which is closely related) is determined using the prevailing market interest rate of similar non-convertible debts. The difference between the gross proceeds of the issue of the convertible bond and the fair value assigned to the liability component, representing the conversion option for the holder to convert the bond into equity, is included in equity (convertible bond equity reserve).

In subsequent periods, the liability component of the convertible bond is carried at amortised cost using the effective interest method. The equity component, representing the option to convert the liability component into ordinary shares of the Company, will remain in convertible bond equity reserve until the embedded option is exercised (in which case the balance stated in convertible bond equity reserve will be transferred to share premium). Where the option remains unexercised at the expiry date, the balance stated in convertible bond equity reserve will be released to the accumulated profits. No gain or loss is recognised in profit or loss upon conversion or expiration of the option.

Transaction costs that relate to the issue of the convertible bond are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are charged directly to equity. Transaction costs relating to the liability component are included in the carrying amount of the liability portion and amortised over the period of the convertible bond using the effective interest method.

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Embedded derivatives

Derivatives embedded in non-derivative host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at fair value with changes in fair value recognised in profit or loss.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the assets expire or, the financial assets are transferred and the Group has transferred substantially all the risks and rewards of ownership of the financial assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised directly in other comprehensive income is recognised in profit or loss.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

3. Significant Accounting Policies – continued

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods sold and services provided in the normal ordinary course of business, net of discounts.

Revenue from sale of properties in the ordinary course of business is recognised when the respective properties have been completed and delivered to buyers.

Deposits and instalments received from purchasers prior to meeting the above criteria for revenue recognition are included in the consolidated statement of financial position under current liabilities.

Revenue arising from service provided for gaming operations in mass market halls, slot machine hall and VIP rooms is recognised when the relevant services have been rendered and the Group is entitled to the share of gross win and gross loss in respect of the operating performance from the gaming operator.

Revenue from hotel accommodation is recognised upon the provision of the accommodation services. Revenue from food and beverage sales and other ancillary services are recognised upon the provision of goods and services.

Service income is recognised when the services are provided.

Consultancy and advisory service income is recognised when the service is rendered, the revenue can be reliably estimated and it is probable that the revenue will be received.

Dividend income from investments is recognised when the Group's rights to receive dividend payment have been established.

Interest income from a financial asset is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred taxation is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary difference to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

3. Significant Accounting Policies – continued

Taxation – continued

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred taxation is recognised in profit or loss, except when it relates to items that are recognised in other comprehensive income or directly in equity, in which case the deferred taxation is also recognised in other comprehensive income or directly in equity respectively.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in the respective functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for exchange differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in other comprehensive income, in which cases, the exchange differences are also recognised directly in other comprehensive income.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. Hong Kong dollars) at the rate of exchange prevailing at the end of the reporting period and their income and expenses are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly during the period, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in the translation reserve.

3. Significant Accounting Policies – continued

Share-based payment transactions

For share options granted to employees, the fair value of services received determined by reference to the fair value of share options granted at the grant date is recognised as an expense in full at the grant date when the share options granted vest immediately, with a corresponding increase in share option reserve.

At the time when the share options are exercised, the amount previously recognised in share option reserve will be transferred to share premium. When the share options are still not exercised at the expiry date, the amount previously recognised in share option reserve will be transferred to retained profits.

Retirement benefit costs

Payments to defined contribution retirement benefit schemes other than the costs directly attributable to the development of the properties, which are capitalised as part of the cost of qualified assets, are charged as an expense when employees have rendered service entitling them to the contributions.

4. Critical Accounting Judgements and Key Sources of Estimation Uncertainty

In the process of applying the Group's accounting policies which are described in note 3, the management has made judgements that have significant effect on the accounts recognised in the consolidated financial statements. The key assumption concerning the future, and other key source of estimation uncertainty at the end of the reporting period, that has a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Estimated net realisable value on properties under development for sale

In determining whether allowances should be made to the Group's properties under development for sale of HK$2,460,641,000 (2009: HK$1,019,476,000), the Group takes into consideration the current market environment and the estimated market value (i.e. the estimated selling price less estimated costs of selling expenses) less estimated costs to completion of the properties. An allowance is made if the estimated market value is less than the carrying amount. If the actual net realisable value on properties under development is less than expected as a result of change in market condition and/or significant variation in the budgeted development cost, material provision for impairment losses may result.

Fair value of investment properties

The carrying amount of investment properties of HK$13,332,798,000 as at 31st March, 2010 (2009: HK$6,180,610,000) comprises investment properties at fair value of HK$12,731,660,000 (2009: HK$6,180,610,000) and cost of HK$601,138,000. For investment properties carried at fair value, the amount was based on a valuation on these properties conducted by an independent firm of professional valuers using property valuation techniques which involve certain assumptions of market conditions. Favourable or unfavourable changes to these assumptions would result in changes in the fair value of the Group's investment properties and corresponding adjustments to the amount of gain or loss reported in the profit or loss. For the investment properties under development of which the fair value is not reliably determinable, such investment properties under development are measured at cost using the cost model under HKAS16 "Property, plant and equipment" until either its fair value becomes reliably determinable or construction is completed, whichever is the earlier.

4. Critical Accounting Judgements and Key Sources of Estimation Uncertainty – continued

Estimates of repayment of amounts due to minority shareholders of a subsidiary

The Group's carrying amount of the interest-free portion of the amounts due to minority shareholders of subsidiaries as at 31st March, 2010 include interest-free shareholders' loan of HK$279,362,000 due to minority shareholders of Luck United Holdings Limited ("Luck United"). According to the shareholders' agreements, these amounts are repayable only when the indirect non-wholly owned subsidiary, Luck United and its subsidiaries have surplus fund. Surplus fund represents available cash within these subsidiaries after payment of all operating expenses and payable including but not limited to bank loans and third party loans which are due for repayment together with the accrued interest. The carrying amount of the amounts due to minority shareholders of a subsidiary and the deemed contribution by minority shareholders may be adjusted to reflect the revised estimated cash flows when the Group revises its estimates of the timing of repayment to the minority shareholders.

The Group makes allowance for bad and doubtful debts based on an assessment of the recoverability of debtors. Allowances are made on trade receivables whenever there is any objective evidence that the balances may not be collectible. In determining whether an allowance for bad and doubtful debts is required, the Group takes into consideration the aging status and the likelihood of collection. Following the identification of doubtful debts, the responsible people discuss with the relevant customers and report on the recoverability. Specific allowance is only made for trade receivables that are unlikely to be collected. Where the expectation on the recoverability of the debts is different from the original estimate, such difference will impact the carrying amounts of debtors and doubtful debt expenses in the periods in which such estimate has been changed.

The carrying amount of trade receivables as at 31st March, 2010 is HK$160,561,000 (net of allowance for bad and doubtful debts of HK$2,151,000) (2009: HK$4,015,000 (net of allowance for bad and doubtful debts of HK$2,794,000)).

Deferred tax assets

At 31st March, 2010, deferred tax assets of approximately HK$23,673,000 (2009: HK$3,636,000) in relation to unused tax losses have been recognised in the Group's consolidated statement of financial position. The realisability of the deferred tax asset mainly depends on whether sufficient future profits or taxable temporary differences will be available in the future. In case where the actual future profits generated are less than expected, a material reversal of deferred tax assets may arise, which would be recognised in profit or loss for the period in which such a reversal takes place.

5. Capital Risk Management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of net debt, which includes the amount due to a related company as disclosed in note 34, the amounts due to minority shareholders of subsidiaries as disclosed in note 35, the secured bank borrowings as disclosed in note 36, net of cash and cash equivalents and equity attributable to owners of the Company, comprising issued share capital, accumulated profits and other reserves.

The Directors of the Company review the capital structure on a regular basis. As part of this review, the Directors consider the cost of capital and the risks associates with each class of capital. Based on recommendations of the Directors, the Group will balance its overall capital structure through the payment of dividends, new share issues as well as the debt raising.

6. Financial Instruments

(a) Categories of financial instruments

	2010 HK$'000	2009 HK$'000
Financial assets		
Fair value through profit or loss		
Investments in trading securities	1	90
Loans and receivables		
Amount due from an associate	2,645	2,645
Deposits in designated bank account for development properties	198,892	220,934
Loans receivable	1,784	1,862
Trade and other receivables	261,050	118,553
Pledged bank deposit	300	–
Bank balances and cash	892,256	322,761
	1,356,927	666,755
Financial liabilities		
At amortised cost		
Trade and other payables	284,043	221,772
Amount due to a related company	1,697,876	1,880,980
Amount due to an associate	–	3
Amounts due to minority shareholders of subsidiaries	298,866	19,504
Secured bank borrowings	5,230,686	3,021,115
	7,511,471	5,143,374

(b) Financial risk management objectives and policies

The Group's major financial instruments include deposits in designated bank account for development properties, trade and other receivables, pledged bank deposits, bank balances and cash, creditors and other payables, amounts due to a related company/an associate/minority shareholders of subsidiaries and secured bank borrowings. Details of the financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (foreign currency risk and interest rate risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risk

Foreign currency risk

Foreign currency risk refers to the risk that movement in foreign currency exchange rate which will affect the Group's financial results and its cashflows. The management considers the Group does not expose to significant foreign currency risk in relation to transactions denominated in Macau Pataca ("MOP") against Hong Kong dollars. Exposures on balances which are denominated in MOP in group entities with Hong Kong dollars as functional currency are not considered significant as MOP is pegged to Hong Kong dollars.

6. Financial Instruments – continued

(b) Financial risk management objectives and policies – continued

Market risk – continued

Cash flow interest rate risk

The Group's cash flow interest rate risk relates primarily to bank balances, amount due to a related company and variable-rate secured bank borrowings. The Group currently does not have policy on cash flow hedges of interest rate risk. However, the management monitors interest rate exposure and will consider hedging significant interest rate risk should the need arise.

The Group's cash flow interest rate risk is mainly concentrated on the fluctuation of Hong Kong Interbank Offered Rate ("HIBOR") arising from the Group's advances from a related company and secured bank borrowings.

The Group's sensitivity to cash flow interest rate risk has been determined based on the exposure to interest rates for the abovementioned financial assets and liabilities at the end of the reporting period and the reasonably possible change taking place at the beginning of each year and held constant throughout the respective year.

Except for bank balances using 10 basis points (2009: 10 basis points), if interest rates had been 100 basis points (2009: 100 basis points) higher and all other variables were held constant, the potential effect on post-tax profit (2009: post-tax loss) for the Year is as follows:

	2010 HK$'000	2009 HK$'000
Increase (decrease) in post-tax profit (2009: decrease (increase) in post-tax loss) for the Year		
– Bank balances	1,091	544
– Amounts due to a related company	(16,979)	(18,810)
– Secured bank borrowings	(52,307)	(30,211)
	(68,195)	(48,477)

If interest rates had been lower in an opposite magnitude and all other variables held constant, the potential effect on the results would be equal and opposite.

Credit risk

The Group's maximum exposure to credit risk in the event of the counterparties' failure to perform their obligations as at 31st March, 2010 in relation to each class of recognised financial asset is the carrying amount of those assets as stated in the consolidated statement of financial position. In order to manage the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the reporting period based on the management knowledge of customers and their creditability and repayment record to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the Directors of the Company consider that the Group's credit risk is significantly reduced.

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

The Group has concentration of credit risk as 33% (2009: 58%) and 35% (2009: 58%) of the total trade receivables which was due from the Group's largest customer and the five largest customers respectively within the hotel and hotel related operations. The remaining trade receivables balances are spread over numbers of customers.

6. Financial Instruments – continued

(b) Financial risk management objectives and policies – continued

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management monitors the utilisation of banking facilities and ensures compliance with loan covenants, if any.

The Group relies on bank borrowings as a significant source of liquidity. At 31st March, 2010, based on the existing levels of bank balances and the existing banking facilities available, the Group will be able to meet its future cashflow requirements. Accordingly, the management considers that the Group's liquidity risk is minimal.

The following table details the Group's remaining contractual maturity for its financial liabilities that will result in cash outflow. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is based on interest rate at the end of the reporting period.

Liquidity table

	Weighted average effective interest rate	Less than 1 month or repayable on demand HK$'000	1–3 months HK$'000	3 months to 1 year HK$'000	Over 1 year to 5 years HK$'000	Over 5 years HK$'000	Total undiscounted cash flows HK$'000	Total carrying amounts HK$'000
At 31st March, 2010								
Creditors and other payables	–	51,233	232,574	236	–	–	284,043	284,043
Amount due to a related company	1.21%	–	–	–	1,718,420	–	1,718,420	1,697,876
Amounts due to minority shareholders of subsidiaries								
– interest-bearing	5.00%	–	–	123,016	182,984	–	306,000	279,362
– non-interest bearing	–	19,504	–	–	–	–	19,504	19,504
Secured bank borrowings	1.60%	–	470,260	1,410,782	2,038,880	1,575,545	5,495,467	5,230,686
		70,737	702,834	1,534,034	3,940,284	1,575,545	7,823,434	7,511,471
At 31st March, 2009								
Creditors and other payables	–	–	221,772	–	–	–	221,772	221,772
Amount due to a related company	1.26%	1,880,980	–	–	–	–	1,880,980	1,880,980
Amount due to an associate	–	3	–	–	–	–	3	3
Amounts due to minority shareholders of subsidiaries	–	19,504	–	–	–	–	19,504	19,504
Secured bank borrowings	1.74%	–	319,774	959,322	1,261,407	634,737	3,175,240	3,021,115
		1,900,487	541,546	959,322	1,261,407	634,737	5,297,499	5,143,374

6. Financial Instruments – continued

(c) Fair value

The fair values of financial assets and financial liabilities are determined as follows:

- the fair values of investments in trading securities which traded on active liquid markets are determined with reference to quoted market bid prices.
- the fair values of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

The Directors of the Company consider that the carrying amounts of all financial assets and financial liabilities recorded at amortised cost at the respective end of the reporting period approximate their corresponding fair values.

Fair value measurements recognised in the consolidated statement of financial position

At 31st March, 2010, the financial instruments that are measured subsequent to initial recognition at fair value are investments in trading securities. Their fair value measurements are derived from quoted prices (unadjusted) in active market for identical assets or liabilities.

7. Revenue

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

	2010 HK$'000	2009 HK$'000
Hotel and hotel related operations		
Service income from gaming operations	560,954	–
Hotel room income	62,690	29,378
Marketing and promotion income	2,205	–
Food and beverage sales	56,666	20,751
Others	4,546	2,545
	687,061	52,674
Sales of properties	423,094	–
Rental income from investment properties	339,618	292,505
Consultancy and advisory service income	–	2,991
	1,449,773	348,170

8. Segment Information

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

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

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

Principal activities of the operating segments are as follows:

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

Upon the acquisition of EEH (note 42), the Executive Directors review the hotel and hotel related operations of EEH 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.

The accounting policies of the operating segments are the same as the Group's accounting policies described in note 3. Segment profit (loss) represents the profit earned by or loss from each segment without allocation of central administration costs, interest income from bank deposits, finance costs, share of results of associates, discount on acquisition of subsidiaries and discount on acquisition of additional interest in subsidiaries. This is the measure reported to the Executive Directors for the purposes of resource allocation and performance assessment.

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

8. Segment Information – continued

For the year ended 31st March, 2010

Segment revenue and results

	Lease of properties HK$'000	Properties development HK$'000	Hotel and hotel related operations HK$'000	Total HK$'000
Segment revenue	339,618	423,094	687,061	1,449,773
Segment results	2,785,214	209,192	195,727	3,190,133
Interest income				2,995
Unallocated corporate expenses, net				(58,680)
Finance costs				(107,648)
Share of results of associates				184,942
Discount on acquisition of subsidiaries				102,552
Discount on acquisition of additional interest in subsidiaries				20,616
Profit before taxation				3,334,910
Taxation charge				(410,052)
Profit for the year				2,924,858

Other information

Amounts included in the measure of segment results:

Depreciation	–	303	58,507	58,810
Release of prepaid lease payments	–	–	8,559	8,559
Loss on disposal of property, plant and equipment	–	–	54	54
Written off of property, plant and equipment	–	–	57,303	57,303
Reversal of impairment losses	–	25,333	–	25,333
Fair value increase in investment properties	2,460,495	–	–	2,460,495
Allowance for bad and doubtful debts	144	–	–	144

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	15,054
Release of prepaid lease payments	1,263
Gain on disposal of property, plant and equipment	289
Allowance for bad and doubtful debts written back	560

8. Segment Information – continued

For the year ended 31st March, 2009

Segment revenue and results

	Lease of properties HK$'000	Properties development HK$'000	Hotel and hotel related operations HK$'000	Total HK$'000
Segment revenue	292,505	–	52,674	345,179
Segment results	(1,489,731)	(38,388)	6,342	(1,521,777)
Interest income				2,734
Unallocated corporate expenses, net				(53,977)
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				(1,537,416)

Reconciliation of revenue

Revenue for operating segments	345,179
Revenue from consultancy and advisory services	2,991
Group's revenue	348,170

Other information

Amounts included in the measure of segment results:

	Lease of properties HK$'000	Properties development HK$'000	Hotel and hotel related operations HK$'000	Total HK$'000
Depreciation	–	355	6,375	6,730
Release of prepaid lease payments	–	–	3,509	3,509
Recognition of impairment losses	140,944	28,389	2,787	172,120
Fair value decrease in investment properties	1,586,109	–	–	1,586,109
Allowance for bad and doubtful debts	130	–	–	130

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	18,504
Release of prepaid lease payments	1,263
Allowance for bad and doubtful debts written back	327

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

8. Segment Information – continued

Geographical information

The Group's operations are located at Hong Kong, 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 receivable by geographical location of the assets are detailed below:

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

Information about major customers

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

9. Other Income

	2010 HK$'000	2009 HK$'000
The amount for the year includes:		
Interest income from:		
– bank deposits	2,899	2,622
– loans receivable	96	112
Gain on disposal of property, plant and equipment	235	2
Exchange gain	2,222	–

10. Reversal (Recognition) of Impairment Losses

	2010 HK$'000	2009 HK$'000
Impairment losses reversed (recognised) in respect of:		
Properties under development for		
– own use purpose	–	(897)
– sale purpose	25,333	(28,389)
Prepaid lease payments		
– rental purpose	–	(140,944)
– own use purpose	–	(1,890)
	25,333	(172,120)

During the year ended 31st March, 2010, the management reviewed the recoverability of the properties under development with reference to the current market environment and reversed the previously recognised impairment loss of HK$25,333,000. The carrying amount of the properties at 31st March, 2010 was increased to the revised estimated recoverable amount but did not exceed the cost of these properties.

During the year ended 31st March, 2009, the estimated recoverable amounts of certain properties under development and prepaid lease were less than the corresponding carrying values, and impairment loss was recognised with reference to the current market environment, estimated net realisable values and expected rental yield.

11. Finance Costs

	2010 HK$'000	2009 HK$'000
Interest on:		
– bank borrowings wholly repayable within five years	29,321	67,810
– other borrowings wholly repayable within five years	16,954	32,586
– bank borrowings not wholly repayable within five years	14,398	23,398
Total borrowing costs	60,673	123,794
Imputed interest expense on amounts due to minority shareholders of a subsidiary	8,099	–
Interest on convertible bond *(note 40)*	59,529	–
Less: amount capitalised in properties under development	(24,315)	(3,872)
Bank charges	3,662	3,010
	107,648	122,932

Borrowing costs capitalised during the Year arose on the general borrowing pool are calculated by applying capitalisation rates ranging from 1.21% to 1.27% per annum to expenditure on qualifying assets. All borrowing costs capitalised during the year ended 31st March, 2009 arose on borrowings that were obtained specifically for the purpose of acquiring or developing qualifying assets.

12. Profit (Loss) Before Taxation

	2010 HK$'000	2009 HK$'000
Profit (loss) before taxation has been arrived at after charging:		
Auditor's remuneration	4,826	2,667
Depreciation	73,864	25,234
Release of prepaid lease payments	9,822	4,772
Written-off of property, plant and equipment	57,303	–
Change in fair value of trading securities (included in administrative expenses)	89	71
Commission expenses in gaming operations (included in selling and marketing expenses)	134,318	–
Operating lease rentals in respect of rented premises	2,907	2,067
Share of tax of associates (included in share of results of associates)	59,501	3,380
Staff costs, including Directors' remuneration and retirement benefit scheme contributions *(note 13)*	245,730	93,736
and after crediting:		
Gross rental income from investment properties less direct operating expenses of HK$15,161,000 (2009: HK$16,027,000) relating to investment properties that generated rental income during the year	324,457	276,478

13. Directors' and Employees' Emoluments

(i) Directors' emoluments

	Wong Chi Fai HK$'000	Fan Man Seung, Vanessa HK$'000	Mok Fung Lin, Ivy HK$'000	Cheung Ping Keung HK$'000	Luk Siu Man, Semon HK$'000	Chan Man Hon, Eric HK$'000	Wan Chi Keung Aaron HK$'000	Law Ka Ming, Michael HK$'000	Liu Hing Hung HK$'000	Total HK$'000
2010										
Fees	159	159	159	100	–	150	–	150	150	1,027
Other emoluments:										
Salaries and other benefits	2,460	1,200	1,881	2,940	–	–	–	–	–	8,481
Performance related incentive payment *(note)*	1,500	1,145	700	3,000	–	–	–	–	–	6,345
Retirement benefit scheme contributions	172	84	132	12	–	–	–	–	–	400
Total emoluments	4,291	2,588	2,872	6,052	–	150	–	150	150	16,253
2009										
Fees	153	153	153	153	–	229	114	115	229	1,299
Other emoluments:										
Salaries and other benefits	2,360	1,160	1,841	2,832	–	–	–	–	–	8,193
Retirement benefit scheme contributions	168	84	131	12	–	–	–	–	–	395
Total emoluments	2,681	1,397	2,125	2,997	–	229	114	115	229	9,887

Note: The performance related incentive payment is determined with reference to the operating results, individual performance and comparable market statistics for the year ended 31st March, 2010.

(ii) Employees' emoluments

During the Year, the five highest paid individual include four (2009: four) Directors of the Company whose emoluments are set out above. The total emoluments of the remaining one (2009: one) highest paid individual were as follows:

	2010 HK$'000	2009 HK$'000
Salaries and other benefits	2,130	1,416
Retirement benefit scheme contributions	107	71
	2,237	1,487

No emolument was recognised or paid by the Group to the Directors as compensation for loss of office for both years. No Director had waived any emoluments during both years.

13. Directors' and Employees' Emoluments – continued

(iii) Retirement benefit scheme

The Group participates in two defined contribution schemes which is registered under the Hong Kong Occupational Retirement Scheme Ordinance (the "ORSO" Scheme) and the mandatory provident fund scheme ("MPF Scheme") established under the Hong Kong Mandatory Provident Fund Ordinance in December 2000 for all qualifying employees in Hong Kong. The assets of the schemes are held separately from those of the Group, in funds under the control of independent trustees. Employees who were members of the ORSO Scheme prior to the establishment of the MPF Scheme were offered a choice of staying within the ORSO Scheme or switching to the MPF Scheme, whereas all new employees joining the Group on or after 1st December, 2000 are required to join the MPF Scheme.

The retirement benefit cost charged to profit or loss represents contributions payable to the funds by the Group at rates specified in the rules of the schemes. Where there are employees who leave the ORSO Scheme prior to vesting fully in the contributions, the contributions payable by the Group are reduced by the amount of forfeited contributions.

The employees of the Group's subsidiaries in Macau and the PRC are members of state-managed retirement benefit schemes operated by the Macau and PRC government. The Group is required to contribute a certain percentage of its payroll to the retirement benefit schemes to fund the benefits. The only obligation of the Group with respect to the retirement benefit schemes is to make the required contributions under the scheme.

During the Year, the retirement benefit schemes contributions were HK$3,829,000 (2009: HK$3,156,000).

14. Taxation (Charge) Credit

	2010 HK$'000	2009 HK$'000
The (charge) credit comprises:		
Current tax		
Hong Kong Profits Tax	(19,613)	(4,566)
PRC Enterprise Income Tax	(33,627)	–
Macau Complimentary Income Tax	(23,795)	–
	(77,035)	(4,566)
Over(under)provision in prior years		
Hong Kong Profits Tax	307	348
PRC Enterprise Income Tax	(1,161)	–
	(854)	348
	(77,889)	(4,218)
Deferred taxation *(note 37)*		
(Charge) credit for the year	(292,050)	131,617
Change in tax rate	–	18,516
	(292,050)	150,133
PRC Land Appreciation Tax		
Charge for the year	(40,113)	–
	(410,052)	145,915

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

Under the Law of the People's Republic of China on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% from 1st January, 2008 onwards.

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

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

14. Taxation (Charge) Credit – continued

The taxation (charge) credit for the year can be reconciled to the profit (loss) before taxation per consolidated statement of comprehensive income as follows:

	2010 HK$'000	2009 HK$'000
Profit (loss) before taxation	3,334,910	(1,683,331)
Taxation (charge) credit at Hong Kong Profits Tax of 16.5% (2009: 16.5%)	(550,260)	277,750
Tax effect of share of results of associates	30,515	2,082
Tax effect of income not taxable for tax purpose	120,675	2,079
Tax effect of expenses not deductible for tax purpose	(13,149)	(84,827)
PRC Land Appreciation Tax	(40,113)	–
Tax effect of PRC Land Appreciation Tax	6,619	–
Utilisation of tax losses previously not recognised	22,456	–
Utilisation of deductible temporary difference previously not recognised	22,072	–
Tax effect of tax losses not recognised	(3,657)	(30,567)
Tax effect of deductible temporary difference not recognised	–	(39,466)
Effect of different tax rates of subsidiaries operating in other jurisdictions	(4,046)	–
(Under)overprovision in prior years	(854)	348
Change in tax rate	–	18,516
Others	(310)	–
Taxation (charge) credit for the year	(410,052)	145,915

15. Dividends

	2010 HK$'000	2009 HK$'000
Dividends recognised as distribution during the year:		
Interim paid: HK$0.048 per share (2009: nil)	94,479	–
No final dividend was paid for 2009 (2009: HK$0.062 per share in respect of 2008)	–	110,065
	94,479	110,065

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

16. Earnings (Loss) Per Share

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

	2010 HK$'000	2009 HK$'000
Earnings (loss)		
Earnings (loss) for the purpose of basic earnings (loss) per share	2,798,005	(1,536,985)
Effect of dilutive potential ordinary shares:		
Interest on convertible bond	59,529	–
Earnings (loss) for the purpose of diluted earnings (loss) per share	2,857,534	(1,536,985)

	2010	2009
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings (loss) per share	1,946,503,427	1,775,246,134
Effect of dilutive potential ordinary shares:		
Convertible bond	515,068,493	–
Weighted average number of ordinary shares for the purpose of diluted earnings (loss) per share	2,461,571,920	1,775,246,134

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

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

17. Investment Properties

	2010 Completed investment properties HK$'000	2010 Investment properties under development HK$'000	2010 Total HK$'000	2009 Completed investment properties HK$'000
At 1st April	6,180,610	–	6,180,610	6,673,676
Exchange realignment	–	3,130	3,130	–
Reclassified from properties under development – non-current on 1st April *(note 19)*	–	741,744	741,744	–
Reclassified from prepaid lease payments on 1st April *(note 20)*	–	277,469	277,469	–
Acquisition of subsidiaries *(note 42)*	423,600	1,130,000	1,553,600	–
Additions	2,211,031	261,633	2,472,664	1,293,887
Disposals	(383,318)	–	(383,318)	(147,300)
Reclassified from properties held for sale *(note (a))*	26,404	–	26,404	–
Reclassified to properties under development for sale *(note (b))*	–	–	–	(53,544)
Increase (decrease) in fair value	2,443,333	17,162	2,460,495	(1,586,109)
At 31st March	10,901,660	2,431,138	13,332,798	6,180,610
Comprising:				
Fair value	10,901,660	1,830,000	12,731,660	6,180,610
Cost	–	601,138	601,138	–
	10,901,660	2,431,138	13,332,798	6,180,610

Notes:

(a) During the year ended 31st March, 2010, certain properties held for sale were reclassified to investment properties upon commencement of an operating lease.

(b) During the year ended 31st March, 2009, certain investment properties were reclassified to property under development upon commencement of development of the properties with a view to sale.

17. Investment Properties – continued

The carrying amount of investment properties at the end of the reporting period comprises:

	2010 HK$'000	2009 HK$'000
Situated in Hong Kong:		
– long leases	5,239,248	2,589,300
– medium-term leases	4,962,700	3,007,010
Situated in PRC:		
– long leases	1,259,050	–
– medium-term leases	660,000	–
Situated in Macau:		
– medium-term leases	447,800	–
– short-term lease	764,000	584,300
	13,332,798	6,180,610

All the investment properties are held for rental under operating leases or under development as properties held for rental purpose.

The fair values of the Group's investment properties at 31st March, 2010 have been arrived at on the basis of a valuation carried out on that date by Memfus Wong Surveyors Limited (2009: Colliers International (Hong Kong) Limited), an independent firm of professional property valuers not connected with the Group.

For completed investment properties, the valuation was arrived at with reference to market evidence of recent transaction prices for similar properties or rental income using the applicable market yields for the respective locations and types of properties.

For investment properties under development located at Beijing with carrying amount of HK$660,000,000 at 31st March, 2010 (2009: included in properties under development under non-current assets and prepaid lease payments of HK$157,531,000 and HK$277,469,000, respectively), the valuation method was mainly based on residual method ("Residual Method") by making reference to recent sales transactions of completed properties as available in the relevant market to determine the potential sales proceeds and deducting the development costs and required profits from the investment properties, which are derived from the interpretation of prevailing investor requirements or expectations.

For investment properties under development located at Shanghai (the "Land") with carrying amount of HK$1,170,000,000 at 31st March, 2010 acquired through EEH (note 42), as the site is in its initial stage of development and only the site preparation work had been completed at the end of the reporting period, the valuation has been arrived at by adopting direct comparison approach with reference to comparable transactions in the locality for similar lands, taken into consideration the cost that has been incurred for land preparation and base construction.

At 31st March, 2010, investment properties under development located at Repulse Bay, of which the construction work is virtually completed, are measured at cost of HK$601,138,000 (2009: included in properties under development under non-current assets of HK$584,213,000). The properties are under a legal proceeding with the government of Hong Kong Special Administrative Region ("HKSAR") in relation to the interpretation of the government lease and may result in the Group paying a substantial amount of land premium to the government of HKSAR in order for the properties to be rent out. The uncertainty on the amount of potential land premium is significant that precludes the valuer from measuring its fair value reliably under the Residual Method. Accordingly, these investment properties are measured at cost until the fair value becomes reliably determinable.

17. Investment Properties – continued

Included in investment property under development as at 31st March, 2010 was net interest capitalised of HK$6,053,000 (2009: nil).

Litigation relating to the investment properties under development in the PRC

Prior to EEH becoming a subsidiary of the Company in August 2009, EEH entered into a joint venture agreement ("JV Agreement") with Shenzhen Lianhe Jinhao Investment Development Co., Ltd., now know as Shanghai Zhangxi Investment Development Co., Ltd. ("JV Partner") on 26th May, 2004, to jointly develop the Land. Under the JV Agreement, EEH would provide the Land, the JV Partner would bear the full construction cost and the saleable floor area would be split between the parties in equal shares. EEH and the JV Partner intend to develop the property into a commercial complex ("Project"). EEH has an option to put its interest in the Project to the JV Partner at a consideration of HK$530,000,000 ("Put Option"). The option period is between (i) 18 months from the JV Partner taking possession of the Land and (ii) 30 months from the JV Partner taking possession of the Land or completion of the decoration of the common areas of the Project, whichever is the later (both months inclusive).

Under the terms of the JV Agreement, EEH has the right to terminate the JV Agreement and forfeit the JV Partner's contribution to the Project if the JV Partner failed to settle overdue construction cost payment to contractors of more than RMB10,000,000 for more than 3 months. In view of the JV Partner's failure to do so, EEH served a notice to the JV Partner to terminate the JV Agreement in October 2006. At that time, the JV Partner had contributed RMB27,130,000 (equivalent to HK$30,857,000) towards the Project and incurred construction cost and other payables known to EEH totalling RMB56,490,000 (equivalent to HK$64,250,000). EEH had since assumed the legal obligation to settle the outstanding payables incurred by the JV Partner in respect of the Project and recognised the amount paid by EEH as investment property under development. In addition, EEH had taken up the JV Partner's contractual arrangements with regards to the construction of the Project which had not been commenced. The Group disclosed these contractual commitments in relation to the Project in note 43.

In October 2006, EEH commenced legal proceedings against the JV Partner in Shanghai, the PRC for termination of the JV Agreement, payment of the outstanding payables known to EEH at that time in the sum of RMB56,490,000 and forfeiture of the JV Partner's contribution of RMB27,130,000. The latter sum has not been recognised as assets by EEH, pending the outcome of the legal proceedings.

In May 2010, the Shanghai No. 2 Intermediate People's Court (the "Court") completed its hearing of the case. Mediations to settle the dispute between the JV Partner and EEH. The legal case is still in the progress up to the date these consolidated financial statements were authorised for issue. Details of the legal proceedings are set out in note 47(a).

The PRC lawyers representing EEH were of the view that it is probable for EEH to terminate the JV Agreement, in which event the JV Partner is unable to provide supportive rationale to the Court to support their counterclaim. Details of the counterclaim are set out in note 47(a).

18. Property, Plant and Equipment

	Buildings HK$'000	Hotel properties HK$'000	Leasehold improvements HK$'000	Others HK$'000	Total HK$'000
COST OR DEEMED COST					
At 1st April, 2008	39,626	155,276	94,398	47,291	336,591
Exchange realignment	–	–	–	33	33
Additions	–	–	73,801	18,027	91,828
Disposals	–	–	(3,708)	(2,017)	(5,725)
At 31st March, 2009	39,626	155,276	164,491	63,334	422,727
Exchange realignment	–	–	–	10	10
Acquisition of subsidiaries *(note 42)*	59,600	848,507	15,384	53,371	976,862
Additions	–	–	36,053	12,188	48,241
Disposals	–	–	–	(2,760)	(2,760)
Written-off	–	–	(80,974)	(17,584)	(98,558)
At 31st March, 2010	99,226	1,003,783	134,954	108,559	1,346,522
Comprising:					
At cost	88,226	848,507	134,954	108,559	1,180,246
At deemed cost	11,000	155,276	–	–	166,276
	99,226	1,003,783	134,954	108,559	1,346,522
DEPRECIATION					
At 1st April, 2008	12,209	42,819	27,123	27,736	109,887
Exchange realignment	–	–	–	17	17
Provided for the year	950	3,891	12,485	7,908	25,234
Eliminated on disposal	–	–	(2,629)	(3,080)	(5,709)
At 31st March, 2009	13,159	46,710	36,979	32,581	129,429
Exchange realignment	–	–	–	3	3
Provided for the year	1,869	15,142	16,068	40,785	73,864
Eliminated on disposal	–	–	–	(2,652)	(2,652)
Eliminated on written-off	–	–	(34,752)	(6,503)	(41,255)
At 31st March, 2010	15,028	61,852	18,295	64,214	159,389
CARRYING VALUES					
At 31st March, 2010	84,198	941,931	116,659	44,345	1,187,133
At 31st March, 2009	26,467	108,566	127,512	30,753	293,298

18. Property, Plant and Equipment – continued

The above items of property, plant and equipment are depreciated on a straight line basis of the following rates per annum:

Buildings	Over the estimated useful lives of 40 years or the unexpired terms of the relevant leases, whichever is shorter
Hotel properties	Over the estimated useful lives of 40 years or the unexpired terms of the relevant leases, whichever is shorter
Leasehold improvements	10–20%
Others	10–33$^1/_3$%

The carrying values of buildings and hotel properties shown above are situated on land under the following lease terms:

	2010 HK$'000	2009 HK$'000
Buildings in Hong Kong:		
– Long lease	15,689	16,402
– Medium-term lease	9,827	10,065
	25,516	26,467
Buildings in Macau:		
– Long lease	58,682	–
	84,198	26,467
Hotel property in Hong Kong:		
– Long lease	104,674	108,566
Hotel property in Macau:		
– Medium lease	837,257	–
	941,931	108,566

19. Properties Under Development – Non-Current

	2010 HK$'000	2009 HK$'000
At beginning of the year	831,914	644,878
Reclassified to investment properties on 1st April *(note 17)*	(741,744)	–
Exchange realignment	–	2,231
Additions	–	96,893
Reclassified (to) from properties under development for sale *(note)*	(90,170)	88,809
Impairment loss	–	(897)
At end of the year	–	831,914

Note: During the year ended 31st March, 2009, as a result of the change of land use to hotel operations being approved by the Building Authority, certain properties previously under development for sale of approximately HK$88,809,000 were reclassified as properties under development under non-current assets. During the year ended 31st March, 2010, the management revised the development plan to change the land use from hotel operations to property development for sale. The revised development plan has been approved by the Building Authority and site clearance and foundation work commenced during the Year. As a result, the carrying amount of the properties under development of approximately HK$90,170,000 and prepaid lease payment of approximately HK$217,694,000 (note 20) were reclassified to properties under development for sale.

The properties under development at the end of the reporting period comprise:

	2010 HK$'000	2009 HK$'000
Situated in Hong Kong under long leases	–	674,383
Situated in the PRC and held under land use rights for terms expiring within 50 years	–	157,531
	–	831,914

20. Prepaid Lease Payments

	2010 HK$'000	2009 HK$'000
COST		
At 1st April	748,617	684,659
Reclassified to investment properties on 1st April *(note 17)*	(277,469)	–
Exchange realignment	–	28,740
Acquisition of subsidiaries *(note 42)*	340,600	–
Additions	27,865	191,719
Release for the year	(9,822)	(13,667)
Reclassified to properties under development for sale *(note 19)*	(217,694)	–
Impairment loss recognised	–	(142,834)
At 31st March	612,097	748,617

	2010 HK$'000	2009 HK$'000
The Group's prepaid lease payments comprise:		
Situated in Hong Kong:		
– long leases	239,371	432,939
– medium-term lease	37,176	38,209
Situated in Macau under medium-term lease	335,550	–
Situated in the PRC and held under land use right expiring within 50 years	–	277,469
	612,097	748,617
Analysed for reporting purposes as:		
– non-current portion	598,738	734,067
– current portion	13,359	14,550
	612,097	748,617

21. Interests in Associates

	2010 HK$'000	2009 HK$'000
Cost of investment in associates		
– listed	–	754,924
– unlisted	–	–
	–	754,924
Share of post-acquisition reserves, net of dividends	142	45,538
	142	800,462
Market value of an associate listed on the Stock Exchange as at 31st March	N/A	142,720

Included in the cost of investment in associates at 31st March, 2009 was goodwill of HK$54,743,000 arising on acquisitions of an associate in prior years. The movement of goodwill is set out below:

	HK$'000
At 1st April, 2008, 31st March, 2009 and 1st April, 2009	54,743
Reclassified to goodwill of subsidiaries *(note 24)*	(54,743)
At 31st March, 2010	–

The summarised financial information in respect of associates based on its audited financial statements for the year ended 31st March, 2010 and relevant information in respect of the Group's interest in associates are as follows:

Result for the year

	2010 HK$'000 (Note)	2009 HK$'000
Revenue	335,973	791,456
Profit for the year	425,824	29,035
Other comprehensive income for the year	355	15,204
Total comprehensive income for the year	426,179	44,239
Profit for the year attributable to the Group	184,942	12,621
Other comprehensive income attributable to the Group	152	6,604
Total comprehensive income attributable to the Group	185,094	19,225

Note: The amounts for the year ended 31st March, 2010 included the revenue, profit and other comprehensive income of EEH for the period from 1st April, 2009 to 27th August, 2009, the date EEH ceased to be an associate of the Group (note 42).

21. Interests in Associates – continued

Financial position

	2010 HK$'000	2009 HK$'000
Non-current assets	2,629	2,335,169
Current assets	2,965	866,086
Current liabilities	(2,665)	(620,581)
Non-current liabilities	(2,645)	(403,217)
Net asset attributable to owners	284	2,177,457
Minority interests	–	(460,429)
Total equity	284	1,717,028
Group's share of net assets of associates	142	745,719

Particulars of the Group's associates as at 31st March, 2010 and 31st March, 2009, are as follows:

Name of associate	Place of incorporation	Effective proportion of issued share capital held by the Group		Principal activities
		2010	2009	
EEH	Bermuda	N/A*	43.43%	Hotel and gaming and property development
Brightwing Development Limited	Hong Kong	50%	50%	Property investments

* EEH became a non-wholly-owned subsidiary during the year ended 31st March, 2010.

22. Amount Due from (to) an Associate

The amount due from an associate is unsecured and interest-free. The amount is not expected to realize in the next twelve months from the end of the reporting period and therefore classified as non-current asset.

At 31st March, 2009, the amount due to an associate was unsecured, interest-free and repayable on demand.

23. Loans Receivable

The loans were advanced to purchasers for financing the acquisition of the properties sold by the Group. The amounts carry interest at Prime Rate (2009: Prime Rate) and are secured by second mortgages over the properties acquired by the purchasers. The maturity dates of the balances are 16 (2009: 17) years.

24. Goodwill

	HK$'000
COST	
At 1st April, 2008, 31st March, 2009 and 1st April, 2009	1,940
Reclassified from investment in an associate *(note 21)*	54,743
At 31st March, 2010	56,683

For the purpose of impairment test, the goodwill of HK$54,743,000 reclassified from investment in an associate – EEH has been allocated to EEH (a single cash generating unit "CGU").

At 31st March, 2010, the Group performed an impairment review for goodwill of EEH based on cash flow forecasts derived from the most recent financial budgets for the next five years and after the fifth year, the projections are extrapolated using a constant growth rate of 3% per annum for subsequent years. The recoverable amount of the CGU is determined from value in use calculations. The key assumptions for the value in use calculations are those regarding the discount rate, growth rate and expected changes to selling prices and direct costs during the year. The forecast is discounted using a discount rate of 13%. The discount rate was determined with reference to weighted average cost of capital ("WACC") of similar companies in the industry adjusted for certain factors specify to EEH. The growth rate does not exceed the long-term average industry growth forecasts. Changes in selling prices and direct costs are based on past practices and the management's expectations of future changes in the market. The Group considers no impairment loss is necessary.

Regarding the goodwill of HK$1,940,000 (2009: HK$1,940,000), it has been allocated to the CGU for the lease of properties for the purpose of impairment test, and no impairment is considered necessary.

25. Other Assets

	2010 & 2009 HK$'000
Club debentures and membership, at cost	4,442

The club debentures and membership have indefinite life.

26. Inventories

	2010 **HK$'000**	2009 HK$'000
Catering goods	**7,343**	543

The cost of inventories in respect of hotel and hotel related operations recognised as an expense during the Year amounted to approximately HK$25,358,000 (2009: HK$7,925,000).

27. Properties Held for Sale

The properties held for sale comprise properties:

	2010 HK$'000	2009 HK$'000
Situated in Hong Kong and held under long-term leases	11,447	11,432
Situated in Hong Kong and held under medium-term leases	182	182
Situated in the PRC and held under land use rights with terms expiring within 50 years	6,838	15,441
	18,467	27,055

The cost of properties held for sale recognised as an expense during the Year amounted to approximately HK$231,348,000 (2009: nil).

28. Properties Under Development – Current

The amount represented projects developed for sale after completion. The properties under development at the end of the reporting period comprise:

	2010 HK$'000	2009 HK$'000
Situated in Hong Kong:		
– long leases	2,290,017	644,314
– medium-term leases	170,624	142,500
Situated in the PRC and held under land use rights for:		
– terms expiring within 50 years	–	232,662
	2,460,641	1,019,476

Included in the amount are properties under development for sale of approximately HK$1,909,950,000 (2009: HK$786,814,000) that are expected to complete after one year from the end of the reporting period.

29. Trade and Other Receivables

	2010 HK$'000	2009 HK$'000
An analysis of trade and other receivables is as follows:		
Trade receivables, net carrying values	160,561	4,015
Chips on hand	134,165	–
Other receivables, net carrying values	100,489	114,538
Deposits and prepayments	50,011	21,742
	445,226	140,295

29. Trade and Other Receivables – continued

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

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

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$14,068,000 (2009: HK$18,409,000). These related companies are companies in which a deemed substantial shareholder of the Company has beneficial interest.

Included in the Group's trade receivable balances are debtors with carrying amounts of HK$2,832,000 (2009: HK$2,034,000) which are past due at the end of the reporting period for which the Group has not provided for impairment loss. Included in the trade receivable balances are debtor balances of HK$38,070,000 (2009: nil) that would otherwise be past due or impaired have the terms not been renegotiated. The Group does not hold any collateral over these balances.

Aging of trade receivables which are past due but not impaired

	2010 HK$'000	2009 HK$'000
Overdue for:		
1–30 days	1,408	668
31–90 days	839	1,174
91–180 days	457	64
Over 180 days	128	128
	2,832	2,034

29. Trade and Other Receivables – continued

Movement in the allowance for bad and doubtful debts

	2010 HK$'000	2009 HK$'000
At 1st April	2,794	3,508
Impairment loss reversed	(416)	(703)
Amounts written off	(227)	(11)
At 31st March	2,151	2,794

The Group's management closely monitors the credit quality of debtors and considers the debtors that are neither past due nor impaired to be of a good credit quality as continuous partial repayments are received from these debtors.

30. Investments in Trading Securities

	2010 HK$'000	2009 HK$'000
Trading securities shown under current assets:		
Shares listed in Hong Kong, at market value	1	90

31. Deposits in Designated Bank Account for Development Properties

The amount of HK$198,892,000 (2009: HK$220,934,000) (equivalent to approximately RMB174,870,000 (2009: RMB194,870,000) was deposited to a bank account designated under 北京朝陽區房屋管理局 as a deposit for resettlement for the investment properties under development in the PRC. Such bank deposits are restricted for settlement in relation to the resettlement work.

32. Pledged Bank Deposit/Bank Balances and Cash

Pledged bank deposit represents deposit pledged to bank to secure short-term banking facilities granted to the Group.

Bank balances and cash comprise cash held by the Group and short-term bank deposits with an original maturity of three months or less, and carry interests at prevailing market rates which range from 0.01% to 2.25% (2009: 0.01% to 3.28%) per annum.

33. Trade and Other Payables

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

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

34. Amount Due to a Related Company

The amounts are unsecured, carries interest ranging from HIBOR + 0.95% to HIBOR + 1.05% (2009: HIBOR + 0.55% to HIBOR + 1.00%) per annum. At 31st March, 2010, the related company has agreed not to demand for payment from the Group within one year from the end of the reporting period (2009: the amount was repayable on demand).

The effective interest rate on the amount is 1.12% (2009: 1.88%) per annum.

The related company is a wholly-owned subsidiary of The Albert Yeung Discretionary Trust (the "AY Trust").

35. Amounts Due to Minority Shareholders of Subsidiaries

	2010 HK$'000	2009 HK$'000
Interest-free amounts	298,866	19,504
Less: Amounts due within one year shown under current liabilities	(136,532)	(19,504)
	162,334	–

Amounts due to minority shareholders of subsidiaries comprises:

(i) Amount of HK$19,504,000 (2009: HK$19,504,000) which is unsecured, interest-free and repayable on demand.

(ii) Amount of HK$279,362,000 (2009: nil) interest-free shareholders' loans due to minority shareholders of Luck United.

In accordance with the contractual terms of the shareholders' agreements, the interest-free amounts are to be repaid from surplus fund, which represents cash available in Luck United, an indirect non-wholly owned subsidiary, and its subsidiaries, after payment of all operating expenses and payables including but not limited to bank loans and third party loans which are due for repayment together with the accrued interest. Imputed interest on these advances had been computed at an original effective interest rate of 5% and a projection on the timing of realisation of surplus fund according to budget approved by the management of Luck United.

During the Year, the Group partially repaid the principal of the interest-free shareholders' loans of HK$10,000,000. The principal amount outstanding as at 31st March, 2010 was HK$306,000,000. As at 31st March, 2010, the Group revised its estimates of repayments of the amounts due to minority shareholders of a subsidiary and adjusted the carrying amount of the amounts due to minority shareholders of a subsidiary in accordance with the revised estimated cash flows. The Group recalculated the carrying amount by computing the present value of estimated future cash flows at the original effective interest rate. This resulted in a decrease of HK$10,665,000 being adjusted to the carrying amount of minority interests in the current year.

In the opinion of the Directors of the Company, the carrying amount of the amounts due to minority shareholders of HK$162,334,000 is not expected to be repaid in the next twelve months from the end of the reporting period based on the cash flow forecasts and the estimation on future surplus fund. Accordingly, the carrying amount of HK$162,334,000 is shown as non-current.

36. Secured Bank Borrowings

	2010 HK$'000	2009 HK$'000
The bank borrowings are repayable as follows:		
Within one year	1,797,350	1,226,529
Between one to two years	880,872	250,980
Between two to three years	535,283	424,331
Between three to four years	252,808	363,997
Between four to five years	213,639	131,397
Over five years	1,550,734	623,881
	5,230,686	3,021,115
Less: Amounts due within one year shown under current liabilities	(1,797,350)	(1,226,529)
Amounts due after one year	3,433,336	1,794,586

The bank borrowings carried interest ranging from HIBOR + 0.55% to HIBOR + 2.10% (2009: HIBOR + 0.55% to HIBOR + 2.00%) per annum and are secured by certain of the Group's assets. The carrying values of these assets at the end of the reporting period were as follows:

	2010 HK$'000	2009 HK$'000
Investment properties	10,097,600	5,811,670
Properties under development	2,318,753	542,759
Buildings, including relevant prepaid lease payments	87,928	90,140
Hotel properties, including relevant prepaid lease payments	1,492,019	326,142
Bank deposits	300	–
	13,996,600	6,770,711

The effective interest rate on the Group's borrowings is 1.20% (2009: 3.21%) per annum.

37. Deferred Taxation

The following are the major deferred tax (liabilities) assets recognised and movements thereon during the Year.

	Accelerated tax depreciation HK$'000	Development costs capitalised HK$'000	Revaluation of properties HK$'000	Tax losses HK$'000	Total HK$'000
At 1st April, 2008	(65,855)	–	(286,954)	28,773	(324,036)
Change in tax rate	4,218	–	16,397	(1,644)	18,971
(Charge) credit to profit or loss	(11,533)	–	166,643	(23,493)	131,617
Credit to equity	–	–	174	–	174
At 31st March, 2009	(73,170)	–	(103,740)	3,636	(173,274)
Acquisition of subsidiaries *(note 42)*	(27,092)	(4,191)	(199,953)	16,756	(214,480)
(Charge) credit to profit or loss	(6,517)	–	(288,814)	3,281	(292,050)
Credit to equity	–	–	247	–	247
At 31st March, 2010	(106,779)	(4,191)	(592,260)	23,673	(679,557)

For the purpose of presentation in the consolidated statement of financial position, deferred tax assets and liabilities have been offset.

At 31st March, 2010, the Group had tax losses of HK$1,030,366,000 (2009: HK$929,183,000) available for offset against future profits. Deferred tax asset has been recognised in respect of HK$151,297,000 (2009: HK$22,036,000) of such losses. No deferred tax asset has been recognised in respect of the remaining HK$879,069,000 (2009: HK$907,147,000) due to the unpredictability of future profit streams.

Included in the Group's tax losses at 31st March, 2010 is HK$225,488,000 arising from acquisition of EEH, of which HK$139,633,000 has been recognised as deferred tax asset. Included in unrecognised tax losses were losses of HK$1,547,000 and HK$12,291,000 that would expire in 2011 and 2012, respectively. The remaining tax losses of the Group might be carried forward indefinitely.

At the end of the reporting period, the Group has deductible temporary differences of HK$105,419,000 (2009: HK$239,190,000). No deferred tax asset has been recognised in relation to such deductible temporary difference as it is not probable that taxable profit will be available against which the deductible temporary differences can be utilised.

Under the EIT Law of PRC, withholding tax is imposed on dividends declared in respect of profits earned by PRC subsidiaries from 1 January 2008 onwards. Deferred taxation has not been provided for in the consolidated financial statements in respect of temporary differences attributable to accumulated profits of the PRC subsidiaries amounting to HK$146,108,000 (2009: nil) as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

38. Share Capital

	Number of shares	Share capital
		HK$'000
THE COMPANY		
Ordinary shares of HK$0.01 each		
Authorised:		
At 1st April, 2008, 31st March, 2009, 1st April, 2009 and 31st March, 2010	500,000,000,000	5,000,000
Issued and fully paid:		
At 1st April, 2008, 31st March, 2009 and 1st April, 2009	1,775,246,134	17,752
Increase in shares upon the Allotment *(note (a))*	193,064,706	1,931
Increase in shares upon the conversion of convertible bond *(note (b))*	1,000,000,000	10,000
At 31st March, 2010	2,968,310,840	29,683

Notes:

(a) Pursuant to the completion of the sale and purchase agreement on 28th August, 2009, the Company issued and allotted 193,064,706 shares to Hidy Investment Limited ("Hidy") for the acquisition of 10% equity interest in Luck United, a non-wholly owned subsidiary of EEH, and loan due to Hidy by Luck United. Details are set out in note 42.

(b) On 10th March, 2010, the holder of the convertible bond exercised its right to convert the whole part of the principal amount of the convertible bond into fully-paid ordinary shares. Exercise in full of such convertible bond resulted in the issue of 1,000,000,000 additional shares.

The shares issued rank pari passu in all respects with the then existing shares of the Company.

39. Share Option Scheme

Share option scheme of the Company

The Company adopted a share option scheme (the "Scheme") which became effective on 9th September, 2003 (the "Adoption Date"). The primary purpose of the Scheme is to provide incentives or rewards to the participants including the Directors and eligible employees of the Group, for their contribution to the Group and/or to enable the Group to recruit and retain high-calibre employees and attract human resources that were valuable to the Group or any entity in which the Group held an equity interest.

Under the Scheme, the Directors of the Company are authorised, at any time within ten years after the Adoption Date, to offer to grant options to any participant to subscribe for shares in the Company at a price not less than the highest of (i) the closing price of the Company's shares on the date of grant; (ii) the average closing price of the Company's shares for the five trading days immediately preceding the date of grant; and (iii) the nominal value of a Company's share. The total number of shares in respect of which options may be granted under the Scheme cannot exceed 10% of the total number of shares in issue on the Adoption Date. The maximum number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Scheme and any other share option scheme of the Company, if any, cannot exceed 30% of the total number of shares in issue from time to time. The number of shares in respect of which options may be granted to any Participant shall not exceed 1% of the total number of shares in issue in any 12-month period. An option may be exercised at any time within ten years from the date of issue of the relevant options, where the acceptance date should not be later than 28 days from the date of the offer. A nominal consideration of HK$1 is payable on acceptance of the grant of options.

The outstanding share options, which were granted to the Directors of the Company under the Scheme are as follows:

Date of grant	Exercisable period	Exercise price per share HK$	Number of share options outstanding at 1st April, 2008, 31st March, 2009 and 31st March, 2010
11.8.2005	11.8.2005–10.8.2015	1.88	20,000,000
28.1.2008	28.1.2008–27.1.2013	2.91	17,500,000
			37,500,000

The share options granted were vested immediately at the date of grant.

During the Year, no share options were granted under the Scheme by the Company.

39. Share Option Scheme – continued

Share option scheme of EEH

EEH adopted a share option scheme (the "EEH Scheme") on 2nd September, 2002 (the "EEH Adoption Date"), the primary purpose of which is to provide incentives or rewards to participants including the directors and eligible employees of EEH.

Under the EEH Scheme, the directors of EEH are authorised, at any time within ten years after the EEH Adoption Date, to grant options to any participants to subscribe for shares in EEH at a price not less than the highest of (i) the closing price of EEH shares on the date of grant; (ii) the average closing prices of EEH shares for the five trading days immediately preceding the date of grant; and (iii) the nominal value of EEH share. The total number of shares in respect of which options may be granted under the EEH Scheme cannot exceed 10% of the total number of shares in issue on the EEH Adoption Date. The maximum number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the EEH Scheme and any other share option scheme of EEH, if any, cannot exceed 30% of the total number of shares in issue from time to time. The number of shares in respect of which options may be granted to any participant shall not exceed 1% of the total number of shares in issue in any 12-month period. An option may be exercised at any time within ten years from the date of issue of the relevant options, where the acceptance date should not be later than 28 days from the date of the offer. A nominal consideration of HK$1 is payable on acceptance of the grant of options.

On 11th August, 2005, a total of 10,000,000 share options were granted by EEH to two directors of EEH who are also directors of the Company at an exercise price of HK$2.20 under the terms of the EEH Scheme. The options were vested immediately at the date of grant.

The outstanding share options, which were granted to the directors of EEH are as follows:

Date of grant	**Exercisable period**	**Exercise price per share** HK$	**Number of share options outstanding at 1st April, 2008, 31st March, 2009 and 31st March, 2010**
11th August, 2005	11.8.2005–10.8.2015	2.20	10,000,000

The share options granted were vested immediately at the date of grant. During the Year, no share options were granted by EEH under the EEH Scheme.

40. Convertible Bond

On 3rd September, 2009, the Company issued convertible bond with a nominal value of HK$1,200,000,000 to Eternally Smart Limited ("Eternally Smart"), a related company. Eternally Smart is a wholly owned subsidiary of the AY Trust. The bond bears interest from the date of issue at a rate of the HIBOR plus 1.5% per annum and matures on 2nd September, 2014. It may be converted into ordinary shares of the Company at a conversion price of HK$1.20 per ordinary share, subject to anti-dilutive adjustments. Upon full conversion, the convertible bond shall be converted into 1,000,000,000 ordinary shares of the Company. The Company is entitled to redeem the convertible bond at 100% of its principal amount at any time after six months from the date of issue of the convertible bond until the maturity date.

The consideration for the subscription of convertible bond was settled through current account of Eternally Smart.

The convertible bond was split into liability (including the value of closely-related early redemption option held by the Company) and equity components of HK$729,421,000 and HK$470,579,000 respectively upon initial recognition by recognising the liability component at its fair value and attributing the residual amount to the equity component. The liability component is subsequently carried at amortised cost and the equity component is recognised in the convertible bond reserve. The effective interest of the liability component is 16% per annum.

On 10th March, 2010, all convertible bond was converted into 1,000,000,000 ordinary shares by the bond holder at a conversion price of HK$1.20 per ordinary share.

The movement of the liability component of the convertible bond for the year is set out below:

	2010 HK$'000
Recognised during the year	729,421
Interest charge *(note 11)*	59,529
Interest paid	(9,581)
Conversion during the year	(779,369)
Carrying amount at the end of the year	–

41. Minority Interests

Included in minority interests as at 31st March, 2010 was a deemed contribution by minority shareholders of HK$10,665,000 (2009: nil), arising from adjustment of fair value at initial recognition and subsequent measurement (see note 35 for details) of certain loans from the minority shareholders of a subsidiary which agreed to contribute interest-free shareholders' loans in accordance with their shareholdings.

42. Acquisition of Subsidiaries

I. Acquisition of additional equity interest in EEH

(a) On 7th July, 2009, Worthly Strong Investment Limited ("Worthly Strong"), a wholly owned subsidiary of the Company, entered into a sale and purchase agreement with Hidy for the acquisition of 10% equity interest in Luck United, a non-wholly owned subsidiary of EEH, and loan due to Hidy by Luck United of HK$72,938,000 (the "Transaction 1"). The consideration for this acquisition was satisfied by the allotment and issue of 193,064,706 shares of the Company at HK$1.14 per share, being the market price of share of the Company at completion date and cash payment of HK$2,552,000.

On the same date, Great Assets Holdings Limited ("Great Assets"), an indirectly wholly-owned subsidiary of EEH entered into another sale and purchase agreement with Worthly Strong, for the acquisition of 10% equity interest in Luck United together with the loan due from Luck United to Worthly Strong of HK$72,938,000 (the "Transaction 2"). The consideration for this acquisition was satisfied by the allotment and issue of 281,322,857 shares of EEH at HK$0.79 per share, being the market price at completion date and cash payment of HK$2,552,000.

Transaction 1 and Transaction 2 were arranged on a back-to-back basis. Accordingly, the initial considerations for Transaction 1 and Transaction 2 were set at the same amounts at the timing of entering the sale and purchase agreements. The transactions are considered as issue of 193,064,706 shares of the Company in exchange of 281,322,857 shares of EEH. The financial impact of change in market prices of the Company's shares and EEH's shares from agreement date to the date of completion is not considered as significant. Accordingly, the consideration for the 12.31% equity interest in EEH is determined based on issue of 193,064,706 shares of the Company at HK$1.14 per share.

Details of the Transaction 1 and Transaction 2 were disclosed in the circular issued by the Company dated 11th August, 2009.

Upon the completion of the Transaction 1 and Transaction 2 on 28th August, 2009, EEH's equity interest in Luck United increased from 50% to 60%. The Group's equity interest in EEH increased from approximately 43.43% to 55.74%. EEH then became a subsidiary of the Group. The acquisition of 12.31% equity interest in EEH has been accounted for as a business combination using the purchase method in accordance with HKFRS 3 "Business Combinations".

42. Acquisition of Subsidiaries – continued

I. Acquisition of additional equity interest in EEH – continued

(a) – continued

The net assets acquired in the transaction, and the discount on acquisition arising, are as follows:

	EEH's carrying amount before combination HK$'000	Fair value adjustments HK$'000	Fair value HK$'000
Net assets acquired:			
Investment properties	1,553,600	–	1,553,600
Property, plant and equipment	936,200	40,662	976,862
Prepaid lease payments	255,738	84,862	340,600
Deposits paid for acquisition of properties, plant and equipment	14,764	–	14,764
Inventories	5,263	–	5,263
Debtors, deposits and prepayments	301,279	–	301,279
Bank balances and cash	663,087	–	663,087
Pledged bank deposit	300	–	300
Creditors, customer's deposits and accrued charges	(389,841)	–	(389,841)
Amounts due to related companies	(15)	–	(15)
Amounts due to minority shareholders of subsidiaries	(291,928)	–	(291,928)
Taxation payable	(72,891)	–	(72,891)
Dividend payable	(23,266)	–	(23,266)
Secured bank borrowings	(154,691)	–	(154,691)
Deferred taxation	(199,417)	(15,063)	(214,480)
	2,598,182	110,461	2,708,643
Minority interests			(1,438,374)
			1,270,269
Net assets attributable to additional 12.31% equity interest in EEH held by the Group			323,782
Net assets attributable to previous 43.43% equity interest in EEH held by the Group			
– interest in associates			917,703
– asset revaluation reserve			28,784
			1,270,269
Total consideration for additional 12.31% equity interest in EEH:			
Shares issued at HK$1.14 per share			220,094
Transaction cost paid			1,136
			221,230
Discount on acquisition of additional 12.31% equity interest in EEH			102,552
			323,782
Net cash inflow arising on acquisition:			
Bank balances and cash acquired			663,087
Less: Transaction cost paid			(1,136)
			661,951

42. Acquisition of Subsidiaries – continued

I. Acquisition of additional equity interest in EEH – continued

(a) – continued

The Directors of the Company have reassessed the identification and measurement of fair values of EEH's identifiable assets, liabilities and contingent liabilities and the cost of acquisition. The net fair value of the identifiable assets, liabilities and contingent liabilities of EEH attributable to the 12.31% equity interest acquired by the Group exceeded the cost of acquisition by an amount of HK$102,552,000, which represented a discount on acquisition of EEH, and has been recognised in the consolidated statement of comprehensive income for the year ended 31st March, 2010.

The Directors of the Company, after the reassessment, consider that the discount on acquisition was due to the fact that the market price was lower compared to the net fair value of the identifiable assets, liabilities and contingent liabilities of EEH attributable to the 12.31% equity interest acquired by the Group.

In the assessment of the fair value of EEH's contingent liabilities in respect of the two legal cases as disclosed in note 47 (a) and (b), the Directors of the Company are of the opinion that their fair values were insignificant.

EEH contributed HK$200,329,000 to the Group's profit for the period between the date of EEH becoming a subsidiary and the end of the reporting period.

If the acquisition had been completed on 1st April, 2009, total group revenue for the year would have been HK$1,785,746,000, and profit for the Year would have been HK$3,187,186,000. The pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1st April, 2009, nor is it intended to be a projection of future results.

(b) On 22nd October, 2009, the Group further acquired 1.76% equity interest in EEH for cash consideration of approximately HK$20,503,000. The increase in discount on acquisition of additional interest in a subsidiary and decrease in minority interests arising on the further acquisition amounted to approximately HK$20,616,000 and HK$41,119,000 respectively.

II. The Group recorded the acquisitions of other subsidiaries as purchases of assets for both years as follows:

(a) In April 2008, a wholly-owned subsidiary of the Group entered into a sale and purchase agreement with Oriental Press Group Limited ("Oriental Press Group"), a company incorporated in Hong Kong with limited liability with its shares listed on the Stock Exchange, to acquire (i) the entire issued share capital of Oriental Press Centre Limited ("Oriental Press"), and (ii) all amount due from Oriental Press to Oriental Press Group, at a consideration of approximately HK$515,561,000. Oriental Press was a wholly-owned subsidiary of Oriental Press Group. The major asset of Oriental Press is an industrial building for rental purpose.

(b) In April 2008, a wholly-owned subsidiary of the Group entered into a sale and purchase agreement with Global Food Culture Group Limited ("Global Food") to acquire (i) the entire issued share capital of Ever Resources International Limited ("Ever Resources"); and (ii) all amount due from Ever Resources to Global Food at a consideration of approximately HK$28,297,000. Ever Resources was a wholly-owned subsidiary of Global Food. The major assets of Ever Resources are a property for redevelopment for sale purposes and bank balances of HK$924,000. Global Food and Ever Resources are subsidiaries under the AY Trust.

42. Acquisition of Subsidiaries – continued

II. The Group recorded the acquisitions of other subsidiaries as purchases of assets for both years as follows: – continued

(c) In May 2008, a wholly-owned subsidiary of the Group entered into a sale and purchase agreement with Multifold Group Limited ("Multifold Group"), to acquire (i) the entire issued capital of Genuine Gold Limited and (ii) all amount due from Genuine Gold Limited to Multifold Group, at a consideration of approximately HK$164,505,000. Genuine Gold Limited is principally engaged in the business of property investment. Multifold Group is a wholly-owned subsidiary of Allmighty Group Limited, which is in turn owned as to 72% indirectly by the Trust. Genuine Gold was a wholly-owned subsidiary of Multifold Group. The major asset of Genuine Gold Limited is a commercial property for rental purpose.

(d) In October 2009, a wholly-owned subsidiary of the Group entered into a sale and purchase agreement with Ever Discovery Limited, an independent third party, to acquire the entire issued capital of Lion Castle Limited ("Lion Castle") at a consideration of approximately HK$19,833,000. Lion Castle is an investment holding company, its principal subsidiaries are engaged in the business of property investment. The major assets of its subsidiaries are residential and industrial properties for rental purpose and bank balances of HK$233,000.

(e) In December 2009, a wholly-owned subsidiary of the Group entered into a sale and purchase agreement with Dannette Holdings Limited, an independent third party, to acquire the entire issued share capital of Pizzicato Limited at a consideration of HK$935,000,000. Pizzicato Limited was engaged in property investment. The major assets of Pizzicato Limited are shopping complex with car parking spaces for rental purpose and bank balances of HK$1,359,000.

43. Commitments

	2010 HK$'000	2009 HK$'000
Authorised but not contracted for in respect of:		
– properties under development for sale	1,321,853	1,020,578
– investment properties	1,704,239	1,281,645
	3,026,092	2,302,223
Contracted for but not provided in the consolidated financial statements, net of deposits paid, in respect of:		
– properties under development for sale	81,833	143,071
– investment properties	690,862	37,360
– property, plant and equipment	13,089	2,274
	785,784	182,705
	3,811,876	2,484,928

44. Operating Lease Commitments

The Group as lessee

	2010 HK$'000	2009 HK$'000
Operating lease rentals paid and payable for the year in respect of rented premises	2,907	2,067

At the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases in respect of rented premises, which fall due as follows:

	2010 HK$'000	2009 HK$'000
Within one year	2,930	1,082
In the second to fifth year inclusive	524	715
	3,454	1,797

The leases were negotiated for terms ranging from 1 and 2 years and the rentals are pre-determined and fixed.

The Group as lessor

	2010 HK$'000	2009 HK$'000
Operating lease rentals received and receivable for the year in respect of investment properties	339,618	292,505

At the end of the reporting period, the Group had contracted with tenants to receive the following future minimum lease payments in respect of premises in the completed investment properties, which fall due as follows:

	2010 HK$'000	2009 HK$'000
Within one year	292,512	266,267
In the second to fifth years inclusive	273,655	322,947
Over five years	–	781
	566,167	589,995

Certain premises in the Group's completed investment properties have committed tenants for the tenancy ranging from 1 to 6 years and the rentals are pre-determined at fixed amounts except for certain leases of which contingent rentals are charged based on the percentage of sales. The contingent rental income recognised during the year is HK$10,153,000 (2009: HK$10,425,000). The lease commitments presented above is based on the existing committed monthly minimum lease payments.

45. Major Non-Cash Transactions

(a) During the Year, for additions of investment properties and investment properties under development of HK$31,450,000 and HK$1,380,000 respectively were settled by utilising deposits paid in prior year (2009: investment properties and property, plant and equipment of HK$81,930,000 and HK$9,961,000 respectively).

(b) During the Year, the Company issued convertible bond with a nominal value of HK$1,200,000,000 to a related company. The consideration for the subscription of convertible bond was settled through current account of the related company.

46. Event After the Reporting Period

On 1st April, 2010, Good Force Investments Limited, an indirect wholly-owned subsidiary of the Company, entered into a sale and purchase agreement with Gain Wealth Investments Limited ("Gain Wealth"), a related company, to acquire the entire issued share capital of Richfield Development Limited ("Richfield") at a consideration of approximately HK$16,900,000. Gain Wealth is a wholly owned subsidiary of the AY Trust. Richfield is an investment holding company holding 100% equity interest in Shinning World Investments Limited ("Shinning World") which is engaged in property investment. The major asset of Shinning World is a commercial property for rental purpose. The transaction was completed on 3rd May, 2010 and accounted for as acquisition of assets.

47. Contingent Liabilities

(a) In October 2006, EEH commenced legal proceedings against the JV Partner in Shanghai, the PRC, for termination of the JV Agreement in respect of the development of the EEH's property in Shanghai as a result of the JV Partner's failure to settle the outstanding payment and construction costs in accordance with the terms of the JV Agreement. EEH also claimed against the JV Partner for forfeiture of the JV Partner's contribution to the project and further contribution by the JV Partner of outstanding payment and construction costs totalling RMB83,620,000 (equivalent to HK$95,107,000). The JV Partner contested the proceedings and counterclaimed against the Group for RMB100,000,000 (equivalent to HK$113,737,000) as damages for breach of the JV Agreement. The PRC lawyers representing EEH were of the view that it is probable for EEH to terminate the JV Agreement, and the JV Partner's counterclaim would not be supported by the court. Therefore, no provision was made by EEH and the Group. The legal case is still in the progress as at the date these consolidated financial statements were authorised for issuance.

(b) In January 2007, EEH was sued jointly with its contractor for MOP3,500,000 (equivalent to HK$3,352,000) for injuries suffered by a third party in an accident which happened in 2005 in the premises of the Grand Emperor Hotel when the hotel was under renovation. The ultimate outcome of the case is not determinable at this stage. No provision was made by EEH as EEH is of the view that the contractor and its insurer should be responsible for paying any damages awarded to the plaintiff.

(c) In July 2008, Gold Shine Investment Limited ("Gold Shine"), an indirectly held subsidiary of the Company, commenced legal proceedings seeking declarations from the court in respect of the 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 HKSAR in order for the properties to be rent out if the result of declarations is unfavourable to the Group. The Court of the first instance declined to grant the declarations sought. Gold Shine has lodged an appeal. The proceeding was still in progress up to the date these consolidated financial statements were authorised for issuance. The Group is of the view that the ultimate outcome of the case is not determinable at this stage and no provision was made by the Group.

48. Related Party Transactions

(a) Other than disclosed in notes 34, 35, 40, 42 I (a) and 42 II (b) and (c), the Group also had the following significant transactions with related parties:

	2010 HK$'000	2009 HK$'000
Advertising and other expenses to related companies	1,706	2,787
Commission to Dr. Albert Yeung, a deemed substantial shareholder of the Company in capacity of a patron of the Group's VIP rooms	1,490	–
Hotel and restaurant income from related companies	1,165	517
Interest expenses to a related company	26,534	32,586
Professional and service fees income from an associate and related companies	617	684
Rental income from related companies	102,571	82,213
Secretarial fee expenses to a related company	435	273
Share of administrative expenses by:		
– related companies	41,766	30,196
– an associate	2,076	8,689

Note: Certain Directors, key management personnel and a deemed substantial shareholder of the Company have significant influence or are deemed to have significant influence in the above related companies.

(b) The key management personnel of the Company are Directors of the Company. Details of the remunerations are set out in note 13.

49. Particulars of Subsidiaries

Particulars of the principal subsidiaries of the Company as at 31st March, 2009 and 31st March, 2010, are as follows:

Name of subsidiary	Place of incorporation/ operation	Nominal value of issued ordinary share capital/ registered capital[1]	Proportion of nominal value of issued share capital held by the Group		Principal activities
			2010 %	2009 %	
Directly held					
Emperor Investment Limited	Hong Kong	1,000	100.00	100.00	Investment holding
Indirectly held					
Active Pace Investment Limited	Hong Kong	100	100.00	100.00	Property investment
Actmore Estate Limited	Hong Kong	1,000,000	100.00	100.00	Property investment
Affluent Travel Services Limited	Hong Kong	500,000	34.50[2]	100.00	Provision of travel agency services
Arch Concept Limited	Hong Kong	2	100.00	100.00	Property development
Asian Glory Limited	Macau	MOP25,000	34.50[2]	–	Property holding
Bo Shing Real Estate Limited	Hong Kong	1,002	100.00	100.00	Investment holding and property investment
Century Creations Limited	Hong Kong	10,000	100.00	100.00	Property development
Champion Collection Limited	Hong Kong	1	100.00	100.00	Property investment
Chance Yield Development Limited	Hong Kong	2	100.00	100.00	Property investment
Cherish Will Limited	Hong Kong	2	100.00	100.00	Property investment
Crown Source Development Limited	Hong Kong	2	100.00	100.00	Property development
Diamond Faith Company Limited	Hong Kong	2	100.00	100.00	Property development
Diamond King Limited	Hong Kong	2	100.00	100.00	Property investment
Distinct Rich Limited	Hong Kong	1,002	100.00	100.00	Investment holding and property investment
Eastgate Investments Limited	Hong Kong	2	100.00	100.00	Property development
eDaily Systems Limited	Hong Kong	2	100.00	100.00	Property investment

49. Particulars of Subsidiaries – continued

Name of subsidiary	Place of incorporation/ operation	Nominal value of issued ordinary share capital/ registered capital[1]	Proportion of nominal value of issued share capital held by the Group 2010 %	2009 %	Principal activities
Indirectly held – continued					
EIL Property Management Limited	Hong Kong	100	100.00	100.00	Provision of property management services
Elegant Hero Enterprise Limited	Hong Kong	100	100.00	100.00	Restaurant operation
Emperor (Beijing) Real Estate Development Limited	PRC	760,000,000	100.00	100.00	Property development
Emperor (Shanghai) Co., Ltd.[3]	PRC	US$45,000,000	57.50[2]	–	Property development
Emperor (Xiamen) Real Estate Investments Limited[4]	PRC	US$5,000,000	97.19	97.19	Property development
Emperor Entertainment Hotel Management Limited	Macau	MOP25,000	57.50[2]	–	Provision of project financing services
EEH[5]	Bermuda	129,255	57.50	–	Hotel and gaming operation
Emperor Hotel (HK) Limited	Hong Kong	2	100.00	100.00	Property investment and hotel operations
Emperor Hotel Limited	Hong Kong	2	100.00	100.00	Property development
Emperor International Square Limited	Hong Kong	2	100.00	100.00	Property investment
Emperor Investment (Management) Limited	Hong Kong	100	100.00	100.00	Provision of management services
Emperor Project Management (Hong Kong) Limited	Hong Kong	100	100.00	100.00	Provision of project management services
Emperor Property Agency Limited	Hong Kong	100	100.00	100.00	Provision of property agency services
Express Honor Enterprises Limited	Hong Kong	1	100.00	100.00	Property investment
Fai Iek Limited	Macau	MOP25,000	100.00	100.00	Property investment
Forever Crown Limited	Hong Kong	2	100.00	100.00	Property investment

49. Particulars of Subsidiaries – continued

Name of subsidiary	Place of incorporation/ operation	Nominal value of issued ordinary share capital/ registered capital[1]	Proportion of nominal value of issued share capital held by the Group 2010 %	2009 %	Principal activities
Indirectly held – continued					
Gallan Limited	Hong Kong	2	100.00	100.00	Property development
Gold Shine	Hong Kong	2	97.67	97.62	Property development
Golden Pegasus Investment Limited	Hong Kong	100,000	100.00	100.00	Property investment
Great Assets Holdings Limited	British Virgin Islands/Macau	US$50	57.50[2]	–	Investment holding
Great Future Hong Kong Limited	Hong Kong	2	100.00	100.00	Property investment
Headwise Investment Limited	Hong Kong	2	100.00	100.00	Property investment
Hoi Tin Marine Products Limited	Hong Kong	10,000	100.00	100.00	Property investment
I Soi Limited	Macau	MOP25,000	100.00	100.00	Property investment
I Veng Limited	Macau	MOP25,000	100.00	100.00	Property investment
Jade Palace Properties Limited	Hong Kong	10,000	100.00	100.00	Property investment
Joyful Star Corporation Limited	Hong Kong	1	100.00	100.00	Property investment
Keen Million Limited	British Virgin Islands/Macau	US$1	34.50[2]	–	Mass market operation
Keenpower Base Limited	Hong Kong	1	100.00	100.00	Property investment
Lavergem Holdings Limited	British Virgin Islands/Hong Kong	US$1	57.50[2]	–	Investment holding
Lord Link Limited	Hong Kong	1	100.00	100.00	Property investment
Luck United	British Virgin Islands	US$10,000	34.50[2]	–	Investment holding
Majesty Investments Limited	Hong Kong	2	100.00	100.00	Property trading
Max Intelligence Limited	Hong Kong	1	100.00	100.00	Property investment

49. Particulars of Subsidiaries – continued

Name of subsidiary	Place of incorporation/ operation	Nominal value of issued ordinary share capital/ registered capital[1]	Proportion of nominal value of issued share capital held by the Group 2010 %	2009 %	Principal activities
Indirectly held – continued					
National Goal Limited	Hong Kong	2	100.00	100.00	Property investment
Pacific Strong Bases (Holding) Company Limited	Macau	MOP500,000	34.50[2]	–	Hotel operation
Planwing Limited	Hong Kong	2	100.00	100.00	Property investment
Pleasure View Investment Limited	Hong Kong	2	100.00	100.00	Property investment
Precision Faith Limited	Macau	MOP100,000	57.50[2]	–	VIP room operation and provision of gaming-related marketing and public relation services
Prestige Gold Investment Limited	Hong Kong	100	100.00	100.00	Property holding
Profit Crest Limited	Hong Kong	1	100.00	100.00	Property development
Rich Gallant Investment Limited	Hong Kong	2	100.00	100.00	Property development
Richorse Limited	Hong Kong	2	100.00	100.00	Property investment
Right Achieve Limited	British Virgin Islands/Macau	US$1	34.50[2]	–	Investment holding
Royal Arcardia Limited	Hong Kong	2	100.00	100.00	Property investment
Shining Silver Limited	Hong Kong	1	100.00	100.00	Property investment
Super Harmony Holdings Limited	Hong Kong	1	100.00	100.00	Property investment
Super Park Internation Company Limited	Macau	MOP25,000	34.50[2]	–	Holding and leasing of motor vehicles
Superb Quo Limited	Hong Kong	2	100.00	–	Property development
Tin Hou Limited	Macau	MOP25,000	57.50[2]	100.00	Provision of management and promotion services of gaming operations

49. Particulars of Subsidiaries – continued

Name of subsidiary	Place of incorporation/ operation	Nominal value of issued ordinary share capital/ registered capital[1]	Proportion of nominal value of issued share capital held by the Group 2010 %	2009 %	Principal activities
Indirectly held – continued					
Union Reward International Limited	Hong Kong	1	100.00	100.00	Property investment
Very Sound Investments Limited	Hong Kong	10,000,000	100.00	100.00	Property investment
Webster Investments Company Limited	Hong Kong	1,000,000	100.00	100.00	Property development
World Fortune Corporation Limited	Hong Kong	2	100.00	100.00	Property investment
Worthly Strong Investment Limited	Hong Kong	100	100.00	100.00	Investment holding
Ying Wong Property Limited	Hong Kong	100	100.00	100.00	Property investment
Young Health Investments Limited	Hong Kong	2	100.00	100.00	Property investment

1 All amounts are in Hong Kong dollars except stated otherwise.

2 These companies are subsidiaries of EEH and became non-wholly owned subsidiaries of the Company after the acquisition of additional interest in EEH (note 42).

3 Wholly owned foreign investment enterprise.

4 A Sino-foreign corporative joint venture established in the PRC.

5 EEH's shares are listed on the Stock Exchange.

All subsidiaries, except for those companies incorporated outside Hong Kong, carry on their businesses in Hong Kong unless stated otherwise.

None of the subsidiaries of the Company issued any debt securities as at 31st March, 2010 and 31st March, 2009.

The above table lists the subsidiaries of the Company which, in the opinion of the Directors of the Company, principally affected the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the Directors of the Company, result in particulars of excessive length.

Financial Summary

RESULTS

	Year ended 31st March,				
	2010 HK$'000	2009 HK$'000	2008 HK$'000	2007 HK$'000	2006 HK$'000
Revenue	1,449,773	348,170	1,770,164	408,514	985,534
Profit (loss) before taxation	3,334,910	(1,683,331)	1,447,428	545,941	625,099
Taxation	(410,052)	145,915	(129,663)	(55,325)	(88,418)
Profit (loss) for the year	2,924,858	(1,537,416)	1,317,765	490,616	536,681
Attributable to:					
Owners of the Company	2,798,005	(1,536,985)	1,317,917	487,677	532,392
Minority interests	126,853	(431)	(152)	2,939	4,289
	2,924,858	(1,537,416)	1,317,765	490,616	536,681

ASSETS AND LIABILITIES

	At 31st March,				
	2010 HK$'000	2009 HK$'000	2008 HK$'000	2007 HK$'000	2006 HK$'000
Total assets	19,281,613	10,640,067	10,920,846	8,071,525	5,821,463
Total liabilities	(8,761,913)	(5,848,101)	(4,520,353)	(3,405,265)	(2,032,797)
	10,519,700	4,791,966	6,400,493	4,666,260	3,788,666
Equity attributable to owners of the company	8,998,538	4,792,264	6,400,423	4,665,846	3,792,183
Minority interests	1,521,162	(298)	70	414	(3,517)
Shareholders' funds	10,519,700	4,791,966	6,400,493	4,666,260	3,788,666

Summary of Properties

Particulars of the Group's major investment properties and properties under development as at 31st March, 2010, are as follows:

INVESTMENT PROPERTIES

	Location	Purpose	Floor area sq.ft.	Car parking	Group's interest %
1.	Ground Floor and 1st Floor, 474–476 Lockhart Road, and Shop G on Ground Floor, Pun Tak Building, 478–484 Lockhart Road Causeway Bay, Hong Kong	Commercial	3,292 (S)	–	100
2.	Ground Floor and 1st Floor of 46 Leighton Road and Ground Floor of 44 and 48 Leighton Road, Lai Chi Building Causeway Bay, Hong Kong	Commercial	4,238 (S)	–	100
3.	Units 1 to 4 on 12th Floor, Wing Yip Commercial Building 65–71 Yen Chow Street, Shamshuipo, Kowloon	Commercial	799 (S)	–	100
4.	Carpark Nos. 1–11, 20, 23, 23A, 24 and 24A on Ground Floor, Kwong Sang Hong Building, Blocks C and D, 188 Wanchai Road, Wanchai, Hong Kong	Carparks	–	16	100
5.	Unit 601, 602, 705, 801, 802, 806, 901 902, 1103, 1104, 1206, 1207, 1505, 1605, 1701, 1702, 1703, 1704, 1705, 1706, 1707, 1802, 1803, 1807, 2001, 2007, and 2101 Emperor Group Centre, 288 Hennessy Road, Wanchai, Hong Kong	Office	38,321 (G)	–	100
6.	Shops on Basement One and Two, G/F–4/F, Some Commercial Units on 23/F–29/F, Emperor Group Centre 288 Hennessy Road, Wanchai Hong Kong	Commercial/Office	147,400 (G)	36	100
7.	Emperor Plaza, 55 Chung On Street, Tsuen Wan, New Territories	Commercial	196,150 (G)	–	100
8.	Ground Floor and 1st Floor 523 Lockhart Road, Causeway Bay, Hong Kong	Commercial	1,850 (G)	–	100
9.	Shops 1–3 & 5 on Ground Floor, the whole of 1st, 2nd and 3rd Floors, the External Walls of Ground Floor to 3rd Floor, the Flat Roof on 5th Floor and Parapet Walls enclosing the Flat Roof on 5th Floor and Lift No. 1 and No. 5, 8 Russell Street, Causeway Bay, Hong Kong	Commercial/Shops	22,644 (G)	–	100

Summary of Properties

INVESTMENT PROPERTIES – continued

	Location	Purpose	Floor area sq.ft.	Car parking	Group's interest %
10.	Shop 1–4 Lower G/F Yee Fung Building 1A Wong Nai Chung Road Happy Valley Hong Kong	Shops	2,610 (G)	–	100
11.	Ground Floor, 4, 6 and 8 Canton Road, Tsimshatsui, Kowloon	Shops	2,164 (G)	–	100
12.	Unit A to H on 17th Floor and Vehicle Parking Space No. 7 on G/F Hong Kong Industrial Building 444–452 Des Voeux Road West Hong Kong	Industrial/Carpark	11,554 (S)	1	100
13.	Units C, D and G on 18th Floor Unit H on 1st Floor and Vehicle Parking Spaces Nos. 11–12 on G/F Hong Kong Industrial Building 444–452 Des Voeux Road West Hong Kong	Industrial/Carparks	6,060 (S)	2	100
14.	Shops A & B on Ground Floor Hong Kong Industrial Building 444–452 Des Voeux Road West Hong Kong	Industrial	14,211 (S)	–	100
15.	Shops Nos. 7–11 & Entrance on Ground Floor, the whole of 1st to 5th Floors Wei Kei Building 275 Chatham Road North Hung Hom Kowloon	Commercial	12,994 (S)	–	100
16.	The Ulfert Centre (formerly known as Golden Castle Industrial Building), 4 Kin Fat Lane Tuen Mun New Territories	Industrial	180,595 (G)	–	100

Summary of Properties

INVESTMENT PROPERTIES – continued

	Location	Purpose	Floor area sq.ft.	Car parking	Group's interest %
17.	G/F, Portion B, 63–69 Avenida De Infante D. Henrique and Shop C2 on G/F No. 5 Rua Dr. Pedro Jose Lobo Macau	Commercial	1,167 (S)	–	100
18.	66 Jardine's Bazaar, Causeway Bay, Hong Kong	Shops/Residential	4,012 (S)	–	100
19.	Shops A, B & E, G/F, Hung Hei Mansion, 5–8 Queen's Victoria Road, Central, Hong Kong	Commercial	2,272 (S)	–	100
20.	Shops 1–6, G/F and 1–2/F, 1st and 2nd Advertising Walls, 525 Shanghai Street, Mongkok, Kowloon	Commercial	20,727 (S)	–	100
21.	Unit C, 6/F, CNT Tower Wanchai, Hong Kong	Office	905 (S)	–	100
22.	B/F, G/F, 1/F–4/F of Block A, No. 201–209 Avenida De Almeida Riberiro, No. 1–3 Pario Das Esquinas, Macau	Commercial	11,243 (S)	–	100
23.	71–75 Avenida Do Infante. D. Henrique 514-540 Avenida Da Praia Grande, Macau	Commercial/ Residential	10,167 (S)	–	100
24.	Flat A & C, 12/F and Flat B, 17/F, Ying Fai Court, 1 Ying Fai Terrace, Hong Kong	Residential	1,387 (S)	–	100
25.	B1, B2 and 3/F, The Emperor (Happy Valley) Hotel, 1A Wang Tak Street, Happy Valley, Hong Kong	Commercial	16,128 (G)	–	100

INVESTMENT PROPERTIES – continued

	Location	Purpose	Floor area sq.ft.	Car parking	Group's interest %
26.	Lot No. 889, No. 2 Bellview Drive, Repulse Bay, Hong Kong	Residential	7,379 (G)	–	100
27.	Emperor International Square, 7 Wang Tai Road, Kowloon Bay, Kowloon	Industrial	311,704 (G)	–	100
28.	Shop A, D2 & E2, G/F, Harilela Mansion, 81 Nathan Road, Tsimshatsui, Kowloon	Shops	2,296 (S)	–	100
29.	153–157 Castle Peak Road, Yuen Long, New Territories	Commercial/ Residential	5,306 (S)	–	100
30.	Shop A, Shop B, G/F, and various units, 50–52 Russell Street, Causeway Bay, Hong Kong	Commercial/ Shops	8,549 (S)	–	100
31.	54–56 Russell Street, Causeway Bay, Hong Kong	Commercial/ Residential	10,065 (G)	–	100
32.	G/F, 20 Russell Street, Causeway Bay, Hong Kong	Shops	1,020 (G)	–	100
33.	Fitfort, 560 King's Road, North Point, Hong Kong	Shops/Carparks	125,400 (G)	353	100
34.	Shop C, G/F and Units A and B, 1/F, Mercantile House, Kowloon	Shops	2,370 (G)	–	100
35.	Shops on Ground Floor of the Grand Emperor Hotel, Macau	Commercial	4,672 (G)	–	34.5

INVESTMENT PROPERTIES – continued

	Location	Purpose	Floor area sq.ft.	Car parking	Group's interest %
36.	Room 8 on 6th Floor and common area of the Grand Emperor Hotel, Macau	Commercial	6,268 (G)	–	34.5
37.	Rooms 6, 7 & 9 on 6th Floor and common areas of the Grand Emperor Hotel, Macau	Vacant	20,200 (G)	–	34.5
38.	8th Floor of the Grand Emperor Hotel, Macau	Commercial	22,266 (G)	–	34.5
39.	10th Floor of the Grand Emperor Hotel, Macau	Commercial	22,266 (G)	–	34.5

Remarks: (G) – gross floor area
(S) – saleable area

Summary of Properties

PROPERTIES UNDER DEVELOPMENT

	Property	Purpose	Site Area sq.ft.	Estimated Gross Floor Area sq.ft.	Stage of Completion	Estimated Completion Date	Car Parking	Group's Interest %
1.	26–30 Beach Road Repulse Bay Hong Kong	Commercial	45,530	166,835	Superstructure up to roof level	2010	97	97
2.	Various Lots, DD210, Sai Kung New Territories	Residential	99,816	32,000	Site	2014	–	100
3.	Harbour One, 458 Des Voeux Road West, Hong Kong	Residential	14,061	140,000	Site	2012	–	100
4.	18–36 Shing On Street, Sai Wan Ho, Hong Kong	Commercial/ Residential	7,238	70,000	Site	2013	–	100
5.	96–106 Java Road, North Point, Hong Kong	Commercial/ Residential	6,818	69,000	Site	2012	–	100
6.	396–400 Prince Edward Road West, Kowloon City, Kowloon	Commercial/ Residential	3,319	30,000	Site	2012	–	100
7.	北京長安大街凱特大廈 A parcel of land located at Yong An Xi Li, Chaoyang District, Beijing, The PRC	Commercial	88,417	636,465 (excl. basement)	Uncleared	2014	–	100
8.	41 Units, Cheung Ka Industrial Building, 179–180 Connaught Road West, and 345–345A, Des Voeux Road West, Hong Kong	Residential	18,267	184,000	Uncleared site	2014	–	100
9.	Emperor Star City, a site located at Yuyuan Jiedao 548 Jiefang 11/1 Qiu Huangpu District Shanghai, the PRC *(note (a))*	Commercial complex	246,173	1,298,500 (inclusive of 3 storeys basement)	Basement and foundation have been completed	2014	–	57.5

Note:

(a) The property was originally known as Yuyuan located at Land Plot 33-II, South Henan Road, Nanshi District, Shanghai, the PRC. Pursuant to the order of the Shanghai Municipal Government made in July 2000, the property has been renamed as the above.