

MANAGEMENT DISCUSSION AND ANALYSIS

For the six months ended September 30, 2001 (the "Period"), Emperor International Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") recorded a turnover of HK\$322 million, representing an increase of 10% from HK\$293 million for the previous corresponding period as a result of an increase in proceeds derived from sale of properties in the Period. Result attributable to shareholders, however, turned from a profit of HK\$60 million to a loss of HK\$248 million mainly due to the devaluation of properties.