

CHAIRPERSON'S STATEMENT

For the year ended 31st March 2005, the Company changed its name from Emperor (China Concept) Investments Limited and the Company and its subsidiaries (collectively referred to as "the Group") repositioned itself as a gaming platform. Boosted by leasing of the casino area of its cruise ship named "Golden Princess", the Group's turnover reached approximately HK\$18.2 million, as compared with no turnover in the previous year. No turnover was recorded in the previous year because the property development project in Shanghai, the People's Republic of China (the "PRC") was still in investment stage.

The Group recorded a net profit of approximately HK\$17.6 million, attributable mainly to the recovery of approximately HK\$15.2 million, being part of the deposit paid for the purchase of Hong Tai Building, Chongqing. The net profit for the previous year in the sum of approximately HK\$86.4 million on the other hand was mainly attributable to the reversal of impairment loss of property under development and reversal of allowance for doubtful recovery of loan receivable from a minority shareholder.

DIVIDEND

The board of directors (the "Board") did not recommend payment of dividend for the year ended 31st March, 2005.

OPERATION REVIEW

The development projects and investment of the Group were as follows:

Cruise and cruise related activities

This segment recorded turnover of approximately HK\$18.2 million and profit of approximately HK\$6.1 million.

On 15th February 2005, the Group acquired a cruise ship, "Golden Princess", from Pleasure Road Profits Limited ("Pleasure Road"), a company in which a deemed substantial shareholder of the Company is interested. The consideration of the vessel was US\$17 million (equivalent to approximately HK\$132.6 million), which had been satisfied by allotment and issue of 104,409,000 new shares of HK\$0.0001 each of the Company at the price of HK\$1.27 per share.

Turnover of this segment was mainly derived from leasing of the casino area of Golden Princess to a casino operator at a monthly rent of HK\$9.0 million plus 30% of the net profit of the casino operation.

Hotel and gaming operations

On 25th January, 2005, from Lion Empire Investments Limited ("Lion Empire"), a company in which a deemed substantial shareholder of the Company is interested, the Group acquired indirectly 45% interests in a development project of a hotel with casino operations in Macau.

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The hotel, located in the city centre of Macau, formerly an office premises, is currently under renovation. There will be about 300 hotel rooms, retail facilities and gaming facilities including gaming tables and slot machines. The gaming operation is scheduled to commence as early as September 2005 while the hotel is expected to be fully operational by the end of 2005.

Property sales and development

This segment recorded a profit of approximately HK\$17.2 million mainly from the recovery of part of deposit paid for the purchase of Hong Tai Building, Chongqing. There was no sales of property during the year.

Yu Yuan, Shanghai

The Group previously held 90% interests in a development project in Yu Yuan, Shanghai. On 9th June, 2004, the Group acquired the remaining 10% interests from its joint venture partner at a consideration comprising waiver of approximately HK\$37.8 million in liabilities due by the joint venture partner to the Group in relation to the project and repayment of the initial investment by the joint venture partner in the project in the amount of HK\$16.0 million.

On 26th May, 2004, the Group entered into a cooperative joint venture agreement with Shenzhen Lianhe Jinhao Investment Development Co., Ltd. ("JV Partner") in which both parties agreed to jointly develop the property in Yu Yuan, Shanghai, with the JV Partner being responsible for the construction works of the project in return for entitlement to 50% of the floor area of the completed development.

The Group planned to develop the property into a commercial complex featuring a shopping arcade. The project had a groundbreaking ceremony in June 2005 and is scheduled to complete in early 2007.

Hong Tai Building, Chongqing

The Group had entered into an agreement with Chongqing Hong Tai Property Development Co., Ltd. ("Hong Tai") to acquire certain units and car parking spaces at Hong Tai Building in Chongqing. However, the construction works of the building had been suspended. In view of the prolonged suspension of the development, a full provision for the deposit paid of HK\$25.9 million was made in previous years.

During the year, a court judgment was issued ordering Hong Tai to refund the deposit together with accrued interest to the Group and the Group recovered part of the deposit paid for the purchase of Hong Tai Building in the amount of approximately HK\$15.2 million.

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CAPITAL STRUCTURE

During the year, as a result of the following corporate exercises, the authorised and issued share capital of the Company became 2,000,000,000,000 shares and 928,771,980 shares of HK\$0.0001 each as compared with 200,000,000,000 shares and 11,006,883 shares of HK\$0.001 each as at the end of the last financial year.

Changes for the Year

Placing of New Shares

On 6th December, 2004, prior to share subdivision as set out below becoming effective, the Company placed in aggregate 2,200,000 new shares at the price of HK\$10 per share to an independent placing agent ("Placing").

Share Subdivision

On 3rd January, 2005, the Company subdivided each issued and unissued share into ten subdivided shares, as a result of which the par value of each share of the Company was adjusted from HK\$0.001 to HK\$0.0001.

Rights Issue of Shares

On 21st January, 2005, the Company issued 660,344,150 rights shares at the price of HK\$0.68 per rights share ("Rights Issue"), on the basis of five rights shares for every one subdivided share.

Subscription of New Shares

On 7th February, 2005, a minority shareholder of the Group subscribed for 31,950,000 new subdivided shares of the Company at the price of HK\$2.88 per share ("Subscription").

Allotment and Issue of Shares

As mentioned under the "Operation Review" section, the Company allotted and issued 104,409,000 new subdivided shares at the price of HK\$1.27 per share to Pleasure Road for settlement of the consideration for acquisition of Golden Princess.

USE OF PROCEEDS

After the Placing, the Rights Issue and the Subscription (collectively referred to as "Fund Raising Exercises"), the Group received net proceeds in aggregate of approximately HK\$558.1 million. Up to the end of the year, the Company utilised approximately HK\$162.0 million for acquisition of 90% interests in a subsidiary; approximately HK\$10.3 million for repayment of all advances from a related company; and approximately HK\$14.1 million for the Group's general working capital. The unused proceeds at the end of the year amounted to approximately HK\$371.7 million.

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LIQUIDITY AND FINANCIAL RESOURCES

Prior to the Fund Raising Exercises, the Group mainly funded its operations and capital expenditure through advances from a related company. The Fund Raising Exercises enabled the Group to raise sufficient working capital for its own requirements. As stated in the "Use of Proceeds" section above, the Group had utilised part of the net proceeds to repay the advances from the related company. Whereas, upon the acquisition of the remaining 10% interests in a subsidiary, the Group had fully repaid advances from another related company and taken advances from a minority shareholder of this subsidiary.

As at 31st March, 2005, the Group's current assets and current liabilities were approximately HK\$533.3 million and HK\$14.1 million respectively. The gearing ratio of the Group (expressed as a percentage of total borrowings over net asset value) increased from 12% in the previous year to 19% this year, which was mainly due to the increase in advances from minority shareholders through the acquisition of 90% interests in a subsidiary.

Save as disclosed above and trade and other payables and accrued charges, the Group had no other external borrowings as at 31st March, 2005. Bank balances and cash on hand of the Group as at the same date totalled approximately HK\$526.0 million, which were denominated in Hong Kong dollars and Reminbi. During the year, the Group had no significant exposure to foreign exchange rate fluctuation.

Shortly after the end of the year, the Group was granted a loan facility by a bank amounting to HK\$400.0 million for funding the development of the new hotel project in Macau.

With sufficient bank balances and cash on hand as well as the loan facility, the directors of the Company believe the Group has sufficient working capital for its operation and future development.

CAPITAL COMMITMENTS

As at 31st March, 2005, the Group had total commitments of approximately HK\$1,102.5 million, of which approximately HK\$512.8 million was for property and hotel development projects in Shanghai and Macau; approximately HK\$451.5 million was for acquisition of a subsidiary in Macau; and approximately HK\$138.2 million was for purchase of property, plant and equipment.

NUMBER AND REMUNERATION OF EMPLOYEES

With the new hotel project in Macau in progress and the Group diversifying its business through the acquisition of Golden Princess, the Group employed 320 staff as at 31st March, 2005. Total staff costs, including directors' remuneration, for the year were approximately HK\$5.8 million. The management would continue to monitor the progress of the projects and recruit new staff when appropriate.

To provide incentives or rewards to staff, the Company adopted a share option scheme on 2nd September, 2002. No option had been granted so far.

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PROSPECTS

The Group has repositioned itself to focus on gaming and entertainment operations. Targeting medium to high rollers, the Macau hotel is scheduled to open by the end of 2005 . With relevant knowledge in the Macau gaming market, the Group is confident of securing a significant market share despite the intense competition with new players joining.

The Group expects to also benefit from the booming commercial property market in the PRC. It involves in a 50:50 joint venture in Yu Yuan, Shanghai - the Star City project. Located in China's wealthiest city, the Star City project has a total site area of 22,870 sq.m. and gross area of approximately 114,000 sq.m.. Housing a shopping arcade with direct access to the city's MRT system, it will offer all kinds of retail and entertainment facilities when it opens in early 2007. The Group contributed only the land, while the JV partner is responsible for the construction costs. The Group hopes to enjoy lucrative returns from the project and an ownership of put option fully covers any potential risk in this project.

Meanwhile, the Group is also looking at potential business opportunities worldwide. It hopes to maximise returns for shareholders and looks forwards to declaring dividend in near future.

By Order of the Board

Luk Siu Man, Semon

Chairperson

Hong Kong

11th July, 2005