



Emperor International Holdings & Emperor Entertainment Hotel Announce 2008/2009 Interim Results

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Hong Kong, 17 December, 2008 – Emperor International Holdings Limited (“EIH” or the “Group”) (SEHK: 163) and Emperor Entertainment Hotel Limited (“EEH”) (SEHK: 296) are pleased to announce today their annual results for the six months ended 30 September, 2008 (“Period”):

Emperor International Holdings Limited

EIH recorded revenue of approximately HK\$160.9 million from continuing operations, representing an increment of approximately 18% from HK\$135.9 million for the same period in the previous year. Out of the revenue, HK\$133.8 million was attributable to rental income, up from HK\$93.9 million in the previous corresponding period.

For the Period, gross profit rose by 31% to HK\$137.6 million, with a gross profit margin of 86%, up from 78% in the previous year.

Ms Vanessa Fan, Managing Director of the Group, said: “We are pleased to see an increment in revenue and gross profit due to rise in rental revenue from the Group’s high-quality retail and office properties.”

The underlying profit was HK\$94.9 million (2007: HK\$103.5 million). It includes contribution from disposal of investment properties of HK\$0.2 million (2007: HK\$18.5 million), but excludes the impairment loss due to fair value change of its investment properties and properties under development.

In the second half of 2008, the general property market condition in Hong Kong experienced a sudden yet drastic downturn, coupled with slowdown of economy and turbulence in the global financial markets. For the Period, the Group recorded a loss of HK\$826.3 million from fair value change of its investment properties. The Group had also marked an impairment loss of HK\$115.1 million in respect of its properties under development in Hong Kong and PRC, after taking into account market valuation of the projects.

The Group reported for the Period a loss attributable to equity holders of HK\$839.9 million and loss per share of HK\$0.47. As at 30 September, 2008, net asset value amounted to HK\$5,489.0 million. The Group maintained a healthy and sound financial position and gearing ratio was approximately 44%.

Property Investment and Development

During the Period, turnover from investment property leases rose 43% to approximately HK\$133.8 million, compared to HK\$93.9 million in 2007.

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

Shortly after the Period, the Group had acquired full interest of a site on Java Road, North Point which it previously owned 66% from its joint venture partner. The Group plans to develop a single-block multi-storey hotel offering gross floor area of 102,270 square feet, which is expected to be completed in 2012. In addition, The Group had also acquired site on Prince’s Road West in Kowloon with the total site area of approximately 3,319 square feet. The site is to be developed into a multi-storey residential/commercial block with a total gross floor area of approximately 29,846 square feet. The project is expected to be completed in 2011.

Hotel operation

Revenue from The Emperor (Happy Valley) Hotel in Hong Kong mainly came from the hotel’s 150 guest rooms as well as food and beverage from the Chinese restaurant and coffee shop, reached approximately HK\$25.8 million.

Mr. Donald Cheung, Executive Director of the Group, said: “The Group’s investment property portfolio mainly consists of shops and offices in Hong Kong and Macau. The retail properties, mostly are at prime locations, had an overall occupancy rate of over 96%. The Group is positive about the property market in Hong Kong in the long run, because land supply is limited in the city and there is an increasing demand for new flats especially on Hong Kong Island with low completion volumes for private residential units in the coming years “

Emperor Entertainment Hotel Limited

EEH principally engages in gaming operations and provision of entertainment and hospitality services in Macau. Earnings before interest, tax, depreciation and amortisation (EBITDA) before minority interests from continuing operations amounted to approximately HK\$134.5 million for the Period.

EEH reported revenue of HK\$432.3 million from its hotel and gaming operations in Macau. During the Period, the Group saw a drop of HK\$76.1 million in the fair value of its investment properties, namely the leasing area of Grand Emperor Hotel in Macau, and an impairment loss of HK\$9.9 million for mainly the non-leasing area of the hotel. The depreciation in market value of the Group’s properties was due to sudden adverse change in the global property market approaching the end of the Period. The property market had been volatile and subject to cyclical movements from time to time. The impairment loss was not a realised loss nor a loss related to the Group’s business performance.

Profit attributable to equity holders, after fair value adjustment and impairment loss, was HK\$17.4 million. Earnings per share was HK\$0.02.

Macau Hotel Project

For the Period, EEH recorded from revenue of HK\$432.3 million (2007: HK\$653.4 million) from its Macau operations.

Gaming Revenue

Gaming revenue for the Period amounted to HK\$351.7 million, accounting for approximately 81% of the hotel’s total revenue.

Gaming Concourse

The hotel operated 52 tables during the Period in its gaming concourse, targeting for the mass market. They in total contributed a gross win of approximately HK\$351.4 million, which represented an increment of 27% from HK\$276.2 million. Revenue for the Period was approximately HK\$140.6 million, up from HK\$110.5 million in 2007.

The hotel, which had established its brand name since opening, had attracted repeated customers and brought in new customers. The increasing popularity was evidenced by an increase of the average win to approximately HK\$37,000 per table per day from HK\$29,000 previously.

After the Period in October 2008, the hotel successfully converted some of the leased VIP halls into general gaming concourse, and added seven additional tables to the gaming concourse.

Slot Machines

During the Period, this sector recorded a gross win of approximately HK\$48.5 million. As at 30 September 2008, the hotel operated a total of 304 slot seats. The slot machines returned an average win of approximately HK\$840 per seat per day. Revenue for the Period was approximately HK\$19.4 million.

VIP rooms

EEH self-manages two VIP rooms with 10 tables in total during the Period. The VIP rooms had rolling of approximately HK\$11,318 million and win percentage (calculated before discounts and commissions) of 3.2%. Revenue was approximately HK\$169.2 million and the average win per table per day was approximately HK\$199,000. EEH also received contributions from the leasing of VIP rooms within the hotel. Revenue was approximately HK\$22.5 million during the Period.

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Non-gaming Revenue

The Grand Emperor Hotel recorded approximately HK\$80.6 million non-gaming revenue, which comprised mainly contributions from hotel rooms, food and beverage, as well as rental income from sauna, night club and retail space on the ground floor of the hotel.

The 291 hotel rooms at the Grand Emperor Hotel received an average daily rate of approximately HK\$800 and maintained occupancy of 78%. The hotel is well received by guests for its high-quality services. Room revenue was approximately HK\$38.4 million.

Revenue from food and beverage was approximately HK\$34.5 million and rental revenue from sauna, night club and retail space was approximately HK\$7.7 million. To better serve the high-end VIP market while at the same time enhance the Group's revenue, the hotel has converted and leased part of its hotel lobby for opening a retail outlet during the Period. This had boosted the revenue and showed the Group's determination to maximise returns for its shareholders.

Ms Fan, Executive Director of the EEH, said: "We believe in the future growth of Macau's economy and in particular its tourist industry. The continuously growing Chinese economy is expected to benefit the Macau economy and provides a promising outlook and business environment."

Property Development

This segment recorded no revenue during the Period, as its property project in Yu Yuan, Shanghai remained under development.

Ms Fan concluded: "The management will closely monitor the market development, seek to improve operating margins through cost reduction initiatives and boosting efficiency. We look forward to further utilisation of our execution strength and rich assets in the entertainment industry."

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About Emperor International Holdings Limited

Emperor International Holdings Limited is an investment holding company, which is principally engaged in property development and investment business.

About Emperor Entertainment Hotel Limited

Emperor Entertainment Hotel Limited is the gaming business platform of its parent company Emperor International Holdings Limited. The company has a hotel in Macau, namely Grand Emperor Hotel, offering entertainment and leisure services, food and beverage as well as retail outlets. The company has a development project for a prime shopping arcade in Shanghai. The Company continues to look for potential business opportunities worldwide in the leisure sector.

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