DORE HOLDINGS LIMITED

多金控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock code: 628)

RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 MARCH 2009

The board of directors (the "Board") of the Dore Holdings Limited (the "Company") is pleased to announce the audited consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 March 2009 together with the comparative figures as follows:

Consolidated Income Statement

For the year ended 31 March 2009

	Notes	2009 HK$'000	2008 HK$'000
Continuing operations			
Turnover	4	**439,720**	418,910
Other revenue	4	**15**	6,699
Other income	5	**–**	200
Administrative expenses		**(15,760)**	(15,221)
Equity-settled share-based payments		**–**	(70,243)
Excess of acquirer's interest in fair value of acquiree's identifiable net assets over cost	6	**202,131**	–
Fair value changes on investment property		**–**	560
Fair value changes on financial assets at fair value through profit or loss		**(32,742)**	(16,905)
Fair value changes on derivative financial instruments		**(66,779)**	(101,174)
Impairment loss recognised in respect of intangible assets	11	**(1,006,584)**	(778,278)
Impairment loss recognised in respect of goodwill	12	**(73,522)**	(210,404)
Loss on disposal of subsidiaries		**(668)**	–
Loss on early redemption of convertible bond		**(15,240)**	–
Gain on cancellation of convertible bonds		**116,292**	–
Loss on cancellation of promissory note		**(72)**	–
Share of results of an associate		**–**	47,895
Finance costs	7	**(127,249)**	(58,058)
Loss before taxation		**(580,458)**	(776,019)
Taxation	8	**3,314**	1,021
Loss for the year from continuing operations		**(577,144)**	(774,998)
Discontinued operation			
Profit for the year from discontinued operation		**–**	973
Loss for the year	5	**(577,144)**	(774,025)
Attributable to:			
Equity holders of the Company		**(577,144)**	(775,976)
Minority interests		**–**	1,951
		(577,144)	(774,025)
Dividends	9		
– Special dividend paid		**31,648**	46,762
– Interim dividend paid		**–**	70,765
		31,648	117,527
Loss per share	10		
From continuing and discontinued operations			
– Basic and diluted		**HK(41.83) cents**	HK(69.50) cents
From continuing operations			
– Basic and diluted		**HK(41.83) cents**	HK(69.59) cents

* *For identification purpose only*

Consolidated Balance Sheet

At 31 March 2009

	Notes	**2009** **HK$'000**	2008 HK$'000
Non-current assets			
Property, plant and equipment		**1,424**	1,899
Intangible assets	*11*	**2,098,869**	1,922,029
Investment property		**–**	10,760
Goodwill	*12*	**428,883**	153,216
		2,529,176	2,087,904
Current assets			
Accounts receivable	*13*	**51,036**	49,026
Deposits and other receivables		**386**	26,256
Financial assets at fair value through profit or loss		**53,589**	38,220
Derivative financial instruments		**34,421**	38,651
Cash and bank balances		**51,014**	55,007
		190,446	207,160
Less: Current liabilities			
Other payables and accruals		**79,053**	21,691
Tax payable		**180**	180
		79,233	21,871
Net current assets		**111,213**	185,289
Total assets less current liabilities		**2,640,389**	2,273,193
Less: Non-current liabilities			
Loan from a shareholder		**130,000**	–
Promissory notes – due after one year		**502,567**	449,003
Convertible bonds – due after one year		**1,053,053**	612,123
Deferred tax liabilities		**113,507**	27,000
		1,799,127	1,088,126
Net assets		**841,262**	1,185,067
Capital and reserves			
Share capital		**328,658**	141,286
Reserves		**512,604**	1,043,781
Equity attributable to equity holders of the Company		**841,262**	1,185,067

NOTES:

1. BASIS OF PREPARATION

The financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which also include Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"), accounting principles generally accepted in Hong Kong, the disclosure requirements of the Hong Kong Companies Ordinance and applicable disclosure provisions of The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). These financial statements are presented in Hong Kong dollars and all values are rounded to the nearest thousand ("HK$'000") except when otherwise indicated.

The preparation of financial statements in conformity with HKFRSs requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The measurement basis used in the preparation of the financial statements is historical cost convention except for certain financial assets, financial liabilities, and derivative financial instruments which have been carried at fair value.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

In the current year, the Group has applied for the first time, the following new amendment and interpretations ("new HKFRSs") issued by the HKICPA, which are effective for the Group's financial year beginning 1 April 2008.

HKAS 39 & HKFRS 7 (Amendments)	Reclassification of Financial Assets
HK(IFRIC)-Int 11	HKFRS 2: Group and Treasury Share Transactions
HK(IFRIC)-Int 12	Service Concession Arrangements
HK(IFRIC)-Int 14	HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

The application of the new HKFRSs had no material effect on how the results and financial position for the current or prior accounting periods have been prepared and presented. Accordingly, no prior period adjustment has been required.

The Group has not early applied the following new and revised standards, amendments or interpretations that have been issued but are not yet effective.

Impact of new and revised HKFRSs not yet effective

HKFRSs (Amendments)	Improvements to HKFRSs[1]
HKFRSs (Amendments)	Improvements to HKFRSs 2009[8]
HKAS 1 (Revised)	Presentation of Financial Statements[2]
HKAS 23 (Revised)	Borrowing Costs[2]
HKAS 27 (Revised)	Consolidated and Separate Financial Statements[3]
HKAS 32 & 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation[2]
HKAS 39 (Amendment)	Eligible hedged items[3]
HKFRS 1 & HKAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate[2]
HKFRS 2 (Amendment)	Vesting Conditions and Cancellations[2]
HKFRS 3 (Revised)	Business Combinations[3]
HKFRS 7 (Amendment)	Financial Instruments: Disclosures – Improving Disclosures about Financial Instruments[2]
HKFRS 8	Operating Segments[2]
HK(IFRIC) – Int 9 & HKAS 39 (Amendments)	Embedded Derivatives[4]
HK(IFRIC) – Int 13	Customer Loyalty Programmes[4]
HK(IFRIC) – Int 15	Agreements for the Construction of Real Estate[2]
HK(IFRIC) – Int 16	Hedges of a Net Investment in a Foreign Operation[5]
HK(IFRIC) – Int 17	Distribution of Non-cash Assets to Owners[3]
HK(IFRIC) – Int 18	Transfers of Assets from Customers[7]

1 Effective for annual periods beginning on or after 1 January 2009 except for the amendments to HKFRS 5, effective for annual periods beginning on or after 1 July 2009

2 Effective for annual periods beginning on or after 1 January 2009

3 Effective for annual periods beginning on or after 1 July 2009

4 Effective for annual periods beginning on or after 30 June 2009

5 Effective for annual periods beginning on or after 1 July 2008

6 Effective for annual periods beginning on or after 1 October 2008

7 Effective for transfers of assets from customers received on or after 1 July 2009

8 Effective for annual periods beginning on or after 1 January 2010 except for the amendment to HKAS 38, HKFRS 2, HK(IFRIC) – Int 9 and HK(IFRIC) – Int 16, which are effective for annual periods beginning on or after 1 July 2009

The Group is in the process of making an assessment of the impact of these new and revised HKFRSs upon initial application. So far, it has concluded that while the adoption of HKFRS 8 and HKAS 1 (Revised) may result in new or amended disclosures and the adoption of HKFRS 3 (Revised), HKAS 27 (Revised) and HKAS 23 (Revised) may result in changes in accounting policies, these new and revised HKFRSs are unlikely to have a significant impact on the Group's results of operations and financial position.

3. BUSINESS AND GEOGRAPHICAL SEGMENTS

Segment information is presented by way of two segment formats: (i) on a primary segment reporting basis, by business segment; and (ii) on a secondary segment reporting basis, by geographical segment.

The Group's operating businesses are structured and managed separately, according to the nature of their operations and the products and services they provided. Each of the Group's business segments represents a strategic business unit that offers products and services which are subject to risks and returns that are different from those of the other business segments. Summary details of the business segments are as follows:

(a) the gaming and entertainment segment receives profit streams from gaming and entertainment related business;

(b) the construction segment provides and installs fire-rated timber door sets, as well as provides interior decoration and renovation services and other carpentry works, which was discontinued in prior year;

(c) the timber segment engages in the trading of timber logs and wooden door sets. The activity was minimal during the year.

In determining the Group's geographical segments, revenues are attributed to the segments based on the location of the customers, and assets are attributed to the segments based on the location of the assets.

(a) Business segments

For the year ended 31 March 2009, all of the Group's revenue and results were derived from the gaming and entertainment segment which receives profit streams from gaming and entertainment related business and accordingly, no further detailed analysis of the Group's business segments is disclosed.

For the year ended 31 March 2008

	Continuing operations			Discontinued operation	
	Gaming and entertainment *HK$'000*	**Timber** *HK$'000*	**Total** *HK$'000*	**Construction** *HK$'000*	**Consolidated** *HK$'000*
Segment revenue:					
Profit streams from gaming and entertainment related business	418,910	–	418,910	–	418,910
Segment results	(359,368)	(199)	(359,567)	973	(358,594)
Equity-settled shared-based payments			(70,243)	–	(70,243)
Fair value changes on financial assets at fair value through profit or loss			(16,905)	–	(16,905)
Fair value changes on derivative financial instruments			(101,174)	–	(101,174)
Impairment loss recognised in respect of goodwill			(210,404)	–	(210,404)
Interest income and unallocated gains			6,899	–	6,899
Corporate and other unallocated expenses			(14,462)	–	(14,462)
(Loss)/profit from operations			(765,856)	973	(764,883)
Finance costs			(58,058)	–	(58,058)
Share of results of an associate			47,895	–	47,895
(Loss)/profit before taxation			(776,019)	973	(775,046)
Taxation			1,021	–	1,021
(Loss)/profit for the year			(774,998)	973	(774,025)

	Continuing operations			Discontinued operation	
	Gaming and entertainment	Timber	Total	Construction	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Segment assets and liabilities:					
Segment assets	2,150,191	–	2,150,191	–	2,150,191
Unallocated					144,873
Consolidated total assets					2,295,064
Segment liabilities	–	180	180	–	180
Unallocated					1,109,817
Consolidated total liabilities					1,109,997

	Continuing operations			Discontinued operation		
	Gaming and entertainment	Timber	Total	Construction	Unallocated	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Other information:						
Capital expenditure	2,700,307	–	2,700,307	–	949	2,701,256
Depreciation	–	–	–	–	386	386
Impairment loss recognised in respect of intangible assets	778,278	–	778,278	–	–	778,278
Impairment loss recognised in respect of goodwill	210,404	–	210,404	–	–	210,404

(b) Geographical segments

In determining the Group's geographical segments, revenues are attributed to the segments based on the location of the customers, and assets are attributed to the segments based on the location of the assets. During the years ended 31 March 2009 and 2008, all of the Group's revenue and over 90% of the assets were derived from operations in Macau and accordingly, no detailed analysis of the Group's geographical segments for the years ended 31 March 2009 and 2008 is disclosed.

4. TURNOVER AND OTHER REVENUE

An analysis of turnover and other revenue is as follows:

	2009	2008
	HK$'000	*HK$'000*
Turnover		
Profit streams from gaming and entertainment related business	**439,720**	418,910
Other revenue		
Interest income	**15**	6,688
Dividend income	**–**	11
	15	6,699

Other revenue analysed by categories of assets is as follows:

	2009	2008
Financial instruments		
Loans and receivables (including cash and bank balances)	**15**	6,688
Financial assets at fair value through profit or loss	**–**	11
	15	6,699

5. LOSS FOR THE YEAR

The Group's loss for the year is arrived at after charging:

	2009	2008
	HK$'000	*HK$'000*
Depreciation	**487**	386
Auditors' remuneration	**750**	750
Minimum lease payments under operating leases in respect of land and buildings	**1,006**	1,006
Staff costs (excluding directors' remuneration)		
Salaries and wages	**4,254**	3,160
Pension scheme contributions	**56**	45
	4,310	3,205
Equity-settled share-based payments		
– employees	**–**	5,132
– consultants	**–**	65,111
	–	70,243
	4,310	73,448

	2009	2008
	HK$'000	HK$'000
and after crediting:		
Other income		
Gain on disposal of property, plant and equipment	–	200

6. EXCESS OF ACQUIRER'S INTEREST IN FAIR VALUE OF ACQUIREE'S IDENTIFIABLE NET ASSETS OVER COST

The amount represents the contingent consideration adjustment in relation to acquisition of Triple Gain Group Limited ("Triple Gain") due to the shortfall in respect of the profit guarantee under the Nove Profit Agreement guaranteed by Mr. Chen Yi Ming which has been accounted for as excess of acquirer's interest in fair value of acquiree's identifiable net assets over cost.

7. FINANCE COSTS

	2009	2008
	HK$'000	HK$'000
Effective interest on promissory notes not wholly repayable within five years	36,024	32,416
Effective interest on promissory notes wholly repayable within five years	2,157	–
Effective interest on convertible bonds wholly repayable within five years	89,068	25,642
	127,249	58,058

8. TAXATION

Hong Kong profits tax has been provided at the rate of 16.5% (2008: 17.5%) on the estimated assessable profits arising from Hong Kong during the year. The Group has no assessable profit under Hong Kong profits tax for the years ended 31 March 2009 and 2008. The Group is not subject to any tax in Macau.

	2009	2008
	HK$'000	HK$'000
Current taxation		
Credited/(charged) for the year – Hong Kong	–	–
Deferred tax liabilities		
Convertible bonds	3,314	1,113
Revaluation of properties	–	(92)
	3,314	1,021
Total tax credited for the year	3,314	1,021

9. DIVIDENDS

The special dividend of HK1.5 cents per share was paid during the year ended 31 March 2009.

The special dividend of HK4 cents per share and an interim dividend of HK1.5 cents per share in cash and HK4 cents per share in scrip dividend were paid during the year ended 31 March 2008.

10. LOSS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

From continuing and discontinued operations

Basic loss per share

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

	2009	2008
	HK$'000	*HK$'000*
Loss		
Loss attributable to equity holders of the Company for the purpose of basic loss per share	**(577,144)**	(775,976)

	2009	2008
	'000	*'000*
Number of ordinary shares		
Weighted average number of ordinary shares for the purpose of basic loss per share	**1,379,728**	1,116,534

Diluted loss per share

Diluted loss per share from both continuing and discontinued operations for the years ended 31 March 2009 and 2008 were the same as the basic loss per share. The Company's outstanding convertible bonds and share options were not included in the calculation of diluted loss per share from both continuing and discontinued operations because the effect of the Company's outstanding convertible bonds and share options were anti-dilutive.

From continuing operations

Basic loss per share

The calculation of the basic and diluted loss per share from continuing operations attributable to equity holders of the Company is based on the following data:

Loss figures are calculated as follows:

	2009	2008
	HK$'000	*HK$'000*
Loss for the year attributable to equity holders of the Company	**(577,144)**	(775,976)
Less: Profit for the year from discontinued operation	**–**	973
Loss for the purpose of basic loss per share from continuing operations	**(577,144)**	(776,949)

The denominators used are the same as those detailed above for both basic and diluted loss per share.

Diluted loss per share

Diluted loss per share from continuing operations for the years ended 31 March 2009 and 2008 were the same as the basic loss per share. The Company's outstanding convertible bonds and share options were not included in the calculation of diluted loss per share from continuing operations because the effect of the Company's outstanding convertible bonds and share options were anti-dilutive.

From discontinued operation

Basic and diluted earnings per share

For the year ended 31 March 2008, basic and diluted earnings per share for the discontinued operation is HK0.09 cents per share, based on the profit for the year from discontinued operation of approximately HK$973,000 and the denominators used are the same as those detailed above for both basic and diluted earnings per share.

11. INTANGIBLE ASSETS

	Rights in sharing of profit streams
	HK$'000
Cost	
At 1 April 2007	–
Additions on acquisition of subsidiaries	2,700,307
At 31 March 2008 and 1 April 2008	2,700,307
Additions on acquisition of subsidiaries	1,183,424
At 31 March 2009	3,883,731
Accumulated impairment	
At 1 April 2007	–
Impairment loss recognised for the year	778,278
At 31 March 2008 and 1 April 2008	778,278
Impairment loss recognised for the year	1,006,584
At 31 March 2009	1,784,862
Carrying amount	
At 31 March 2009	**2,098,869**
At 31 March 2008	1,922,029

Details of intangible assets are as follows:

	Sat Ieng Profit Agreement	Dore Profit Agreement	Nove Profit Agreement	Joli Profit Agreement	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 1 April 2007					
Addition on acquisitions of subsidiaries	528,013	614,565	1,494,640	–	2,637,218
Revaluation arisen from further acquisitions *(note i)*	62,451	–	638	–	63,089
	590,464	614,565	1,495,278	–	2,700,307
Impairment loss recognised for the year	–	–	(778,278)	–	(778,278)
At 31 March 2008 and 1 April 2008	590,464	614,565	717,000	–	1,922,029
Addition on acquisitions of subsidiaries	–	–	–	1,183,424	1,183,424
	590,464	614,565	717,000	1,183,424	3,105,453
Impairment loss recognised for the year	(340,828)	(354,740)	(311,016)	–	(1,006,584)
At 31 March 2009	**249,636**	**259,825**	**405,984**	**1,183,424**	**2,098,869**

Note:

(i) Amount of approximately HK$62,451,000 represents the adjustment on change in fair values of Worth Perfect International Limited ("Worth Perfect") between the initial acquisition of 49% equity interest on 4 January 2007 and further acquisition of 51% equity interest on 12 June 2007; and amount of approximately HK$638,000 represents the adjustment on change in fair values of Triple Gain between the initial acquisition of 60% equity interest on 10 December 2007 and further acquisition of 40% equity interest on 18 December 2007.

(ii) The intangible assets represent the rights in sharing of profit streams, from junket business at the casinos' VIP rooms in Macau for an indefinite period of time. Such intangible assets are carried at cost less accumulated impairment losses.

Impairment loss in respect of intangible assets of approximately HK$1,006,584,000 (2008: HK$778,278,000) was recognised during the year ended 31 March 2009 by reference to the valuation report issued by Messrs. Grant Sherman Appraisal Limited ("Grant Sherman"), independent qualified professional valuers, at 31 March 2009 which valued the intangible assets on discounted cash flow method. The main factor contributing to the impairment was the profit guarantee from Sat Ieng Profit Agreement, Dore Profit Agreement and Nove Profit Agreement did not turnout as expected.

The junket licences associated with the rights in sharing of profit streams is renewable annually by the Macau Government. The directors of the Company are not aware of any expected impediment with respect to the renewal of licences and consider that the possibility of failing in licence renewal is remote. Therefore, the directors of the Company consider that the intangible assets are treated as having indefinite useful lives.

12. GOODWILL

	HK$'000
Cost	
At 1 April 2007	9,747
Additions arising from acquisition of a subsidiary	362,409
At 31 March 2008 and 1 April 2008	372,156
Additions arising from acquisitions of subsidiaries	436,749
Adjustments to measurement for acquisitions (note)	(87,560)
At 31 March 2009	721,345
Accumulated impairment	
At 1 April 2007	8,536
Impairment loss recognised for the year	210,404
At 31 March 2008 and 1 April 2008	218,940
Impairment loss recognised for the year	73,522
At 31 March 2009	292,462
Carrying amounts	
At 31 March 2009	**428,883**
At 31 March 2008	153,216

The Group uses business segments as its primary segment for reporting segment information. For the purpose of impairment testing, goodwill with indefinite useful lives have been allocated to cash generating unit (CGU) determined based on the related segment. The carrying amount of goodwill (net of impairment losses) at 31 March 2009 and 2008 allocated to this unit is as follows:

	2009	2008
	HK$'000	*HK$'000*
Gaming and entertainment unit	**428,883**	153,216

During the year ended 31 March 2009, the management assessed the recoverable amount of goodwill, and determined the goodwill associated with the acquisition of Worth Perfect was impaired by approximately HK$73,522,000. The main factor contributing to the impairment of goodwill was the profit guarantee under Sat Ieng Profit Agreement and Dore Profit Agreement has not been attained.

During the year ended 31 March 2008, the management assessed the recoverable amount of goodwill, and determined the goodwill associated with the acquisition of Triple Gain was impaired by approximately HK$210,404,000. The main factor contributing to the impairment of goodwill was the profit guarantee under Nove Profit Agreement has not been attained.

The recoverable amount of the gaming and entertainment cash-generating unit has been determined based on a value in use calculation using cash flow projections based on financial budgets covering a five-year period approved by senior management. The discount rate applied to the cash flow projections is 18.87%.

The recoverable amount of the above CGU has been determined on the basis of value in use calculations. The recoverable amounts are based on certain similar key assumptions. All value in use calculations use cash flow projections based on the financial budgets approved by the management covering a five-year period, which represents the management's best estimate of future cash flow from the CGU, and a discount rate of approximately 18.87% (2008: 18.87%). The cash flows beyond five-year period are extrapolated using a zero growth rate for an indefinite period. Another key assumption is the budgeted revenue, which is determined based on the CGUs' past performance and management's expectations for the market development. Management believes that any reasonably possible change in any of these assumptions would not cause the aggregate carrying amount of the CGU to exceed the aggregate recoverable amount of the CGU.

Note:

The amounts represented the adjustments to the contingent consideration for acquisitions of Richsense Limited ("Richsense") and Leading Century International Limited ("Leading Century") due to the shortfall in respect of the profit guarantee under Dore Profit Agreement and Joli Profit Agreement 1 of approximately HK$79,694,000 and HK$7,866,000 respectively.

13. ACCOUNTS RECEIVABLE

The Group's trading terms with its customers are mainly on credit. The credit terms are generally for a period of 30 days. The Group receives the profit streams from its acquiree companies within 15 days of the subsequent month. The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are reviewed by senior management regularly.

An aged analysis of the Group's accounts receivable as at the balance sheet date, based on invoice date, is as follows:

	2009	2008
	HK$'000	*HK$'000*
Within 30 days	**51,036**	49,026

Included in the Group's accounts receivable balance, no debtors are past due at the date of approval of these financial statements (2008: Nil). The Group does not hold any collateral over these balances.

14. ACQUISITION OF SUBSIDIARIES

For the year ended 31 March 2009

(a) On 20 May 2008, Team Jade Enterprises Limited ("Team Jade") acquired the entire issued share capital of Leading Century from Multi Fit Investments Limited ("Multi Fit"). The major asset of Leading Century is the "Joli Profit Agreement 1" which shares 0.04% of the rolling turnover generated by Joli Entretenimento Sociedade Unipessoal Limitada ("Joli"). The consideration for the acquisition was approximately HK$222,366,000 which represented the cash paid, the fair value of promissory note and consideration shares as at the date of acquisition. The amount of goodwill arising as a result of the acquisition was approximately HK$54,135,000.

The net assets acquired in the transaction and the goodwill arising is as follows:

	Acquiree's carrying amounts	**Fair value adjustment**	**Fair values**
	HK$'000	*HK$'000*	*HK$'000*
Net assets acquired:			
Right in sharing of profit streams	–	168,236	168,236
Other payables	(5)	–	(5)
	(5)	168,236	168,231
Goodwill			54,135
			222,366
Total consideration satisfied by:			
Cash consideration			30,720
Fair value of promissory note			47,484
Fair value of consideration shares			143,360
Acquisition related costs			802
			222,366
Net cash outflow arising on acquisition:			
Cash consideration			(31,522)

Notes:

(i) The contracted value of the acquisition was HK$224,320,000 and the difference between the fair value and the contracted value of consideration paid was approximately HK$1,954,000.

(ii) The fair value of the consideration shares determined based on the quoted closing price of the Company's share of HK$0.64 at the date of acquisition and 224,000,000 shares.

(iii) Goodwill arose in the business combination because the cost of the combination included a control premium paid to acquire Leading Century. In addition, the consideration paid for the combination effectively included amounts in relation to the benefit of expected synergies, revenue growth, future market development of Leading Century. These benefits are not recognised separately from goodwill as the future economic benefits arising from them cannot be reliably measured.

(iv) During the year ended 31 March 2009, Leading Century contributed approximately HK$32,895,000 to the Group's turnover and profit for the period from the date of acquisition to the balance sheet date.

(v) In relation to the acquisition of Leading Century from Multi Fit, Team Jade, Mr. Sin Chun Shing, Joli entered into a Joli Profit Agreement 1. Pursuant to the Joli Profit Agreement 1, Mr. Sin Chun Shing has irrevocably and unconditionally guaranteed to Leading Century that (i) the profit for the period from 1 May 2008 to 31 July 2008 ("Joli 1 Guarantee Period I") shall not be less than HK$12,000,000; (ii) the profit for the period from 1 August 2008 to 31 October 2008 ("Joli 1 Guarantee Period II") shall not be less than HK$12,000,000; (iii) the profit for the period from 1 November 2008 to 31 January 2009 ("Joli 1 Guarantee Period III") shall not be less than HK$12,000,000; and (iv) the profit for the period from 1 February 2009 to 30 April 2009 ("Joli 1 Guarantee Period IV") shall not be less than HK$12,000,000. In the event the profit guarantee is not achieved, Team Jade shall instruct the escrow agent to deduct the relevant shortfall from the outstanding sum payable under promissory notes.

At the end of Joli 1 Guarantee Period I, Joli 1 Guarantee Period II, Joli 1 Guarantee Period III and Joli 1 Guarantee Period IV, the actual profit received and/or receivable by Leading Century was approximately HK$40,134,000 and therefore, amount of shortfall approximately HK$7,866,000 is recognised and such amount was deducted from the goodwill arising in Leading Century.

(b) On 6 November 2008, Team Jade acquired the entire issued share capital of East & West International Inc. ("East & West") as to 70% from Multi Fit and as to 30% from Pacific Rainbow Holdings Limited ("Pacific Rainbow"). The major asset of East & West is the "Joli Profit Agreement 2" which shares 0.32% of the rolling turnover generated by Joli. The consideration for the acquisition was approximately HK$1,279,707,000 which represented the cash paid and the fair value of convertible bonds as at the date of acquisition. The amount of goodwill arising as a result of the acquisition was approximately HK$377,323,000.

The net assets acquired in the transaction and the goodwill arising is as follows:

	Acquiree's carrying amounts	**Fair value adjustment**	**Fair values**
	HK$'000	*HK$'000*	*HK$'000*
Net assets acquired:			
Right in sharing of profit streams	–	902,389	902,389
Other payables	(5)	–	(5)
	(5)	902,389	902,384
Goodwill			377,323
			1,279,707

	HK$'000
Total consideration satisfied by:	
Cash consideration	500,000
Fair value of convertible bonds	778,730
Acquisition related costs	977
	1,279,707
Net cash outflow arising on acquisition:	
Cash consideration	(500,977)

Notes:

(i) The contracted value of the acquisition was HK$1,794,560,000 and the difference between the fair value and the contracted value of consideration paid was approximately HK$514,853,000.

(ii) The fair value of the convertible bonds issued has been arrived at on the basis of a valuation carried out on the completion date of the acquisition by Grant Sherman, independent qualified professional valuers not connected with the Group. The valuation was arrived at by reference to Binomial option pricing model.

(iii) Goodwill arose in the business combination because the cost of the combination included a control premium paid to acquire East & West. In addition, the consideration paid for the combination effectively included amounts in relation to the benefit of expected synergies, revenue growth, future market development of East & West. These benefits are not recognised separately from goodwill as the future economic benefits arising from them cannot be reliably measured.

(iv) During the year ended 31 March 2009, East & West contributed approximately HK$109,195,000 to the Group's turnover and profit for the period from the date of acquisition to the balance sheet date.

(v) In relation to the acquisition of East & West from Multi Fit and Pacific Rainbow, Team Jade, Mr. Sin Chun Shing, Mr. Chen Yi Ming, Joli entered into a Joli Profit Agreement 2. Pursuant to the Joli Profit Agreement 2, Mr. Sin Chun Shing and Mr. Chen Yi Ming has irrevocably and unconditionally guaranteed to East & West that (i) the profit for the period from 1 September 2008 to 31 August 2009 ("Joli 2 Guarantee Period") shall not be less than HK$384,000,000. In the event the profit guarantee is not achieved, the consideration for the acquisition would be adjusted by 4.67 times of the amount of shortfall. The adjustment shall be initially deducted from the Fifth Convertible Bond I and Fifth Convertible Bond II. In the event that the Fifth Convertible Bond I and Fifth Convertible Bond II are insufficient to settle the adjustment. Mr. Sin Chun Shing and Mr. Chen Yi Ming have undertaken to pay the balance in cash.

The directors considered that it is not probable to estimate the results for Joli 2 Guarantee Period at the date of approval of these financial statements, and no adjustment to total consideration was made.

(c) On 6 November 2008, Team Jade acquired the entire issued share capital of Pacific Force Inc. ("Pacific Force") from Pacific Rainbow. The major asset of Pacific Force is the "Joli Profit Agreement 3" which shares 0.04% of the rolling turnover generated by Joli. The consideration for the acquisition was approximately HK$118,085,000 which represented the fair value of consideration shares and convertible bonds as at the date of acquisition. The amount of goodwill arising as a result of the acquisition was approximately HK$5,291,000.

The net assets acquired in the transaction and the goodwill arising is as follows:

	Acquiree's carrying amounts	Fair value adjustment	Fair values
	HK$'000	*HK$'000*	*HK$'000*
Net assets acquired:			
Right in sharing of profit streams	–	112,799	112,799
Other payables	(5)	–	(5)
	(5)	112,799	112,794
Goodwill			5,291
			118,085

	HK$'000
Total consideration satisfied by:	
Fair value of consideration shares	4,626
Fair value of convertible bonds	112,482
Acquisition related costs	977
	118,085
Net cash outflow arising on acquisition:	
Cash consideration	(977)

Notes:

(i) The contracted value of the acquisition was HK$224,320,000 and the difference between the fair value and the contracted value of consideration paid was approximately HK$106,235,000.

(ii) The fair value of the consideration shares determined based on the quoted closing price of the Company's share of HK$0.057 at the date of acquisition and approximately 81,152,000 shares.

(iii) The fair value of the convertible bonds issued has been arrived at on the basis of a valuation carried out on the completion date of the acquisition by Grant Sherman, independent qualified professional valuers not connected with the Group. The valuation was arrived at by reference to Binomial option pricing model.

(iv) Goodwill arose in the business combination because the cost of the combination included a control premium paid to acquire Pacific Force. In addition, the consideration paid for the combination effectively included amounts in relation to the benefit of expected synergies, revenue growth, future market development of Pacific Force. These benefits are not recognised separately from goodwill as the future economic benefits arising from them cannot be reliably measured.

(v) During the year ended 31 March 2009, Pacific Force contributed approximately HK$13,649,000 to the Group's turnover and profit for the period from the date of acquisition to the balance sheet date.

(vi) In relation to the acquisition of Pacific Force from Pacific Rainbow, Team Jade, Mr. Sin Chun Shing, Joli entered into a Joli Profit Agreement 3. Pursuant to the Joli Profit Agreement 3, Mr. Sin Chun Shing has irrevocably and unconditionally guaranteed to Pacific Force that (i) the profit for the period from 1 September 2008 to 31 August 2009 ("Joli 3 Guarantee Period") shall not be less than HK$48,000,000. In the event the profit guarantee is not achieved, the consideration for the acquisition would be adjusted by 4.67 times of the amount of shortfall. The adjustment shall be initially deducted from the Fifth Convertible Bond III. In the event that the Fifth Convertible Bond III is insufficient to settle the adjustment. Mr. Chen Yi Ming has undertaken to pay the balance in cash.

The directors considered that it is not probable to estimate the results for Joli 3 Guarantee Period at the date of approval of these financial statements, and no adjustment to total consideration was made.

DIVIDEND

The directors recommend a final dividend of HK2.0 cents per share (2008: nil) for the year ended 31 March 2009, subject to shareholders' approval on the capital reorganization as announced by the Company on 1 June 2009.

MANAGEMENT DISCUSSION AND ANALYSIS

Times in, times out. Another year has come and passed by. In view of the substantial change in the market sentiment during the year, the on and off coming out of "news" about the Macau gaming sector, some of which are true while the others are purely rumors for designated purpose and the difficulties that the Company is facing, the Board would like to update shareholders what they know and encounter about the sector and in presenting a more objective picture about the future.

The year 2008/09 was tough for all businesses. Economies slipped into recession and the credit crunch put many businesses to bankrupt or close to bankrupt. Fiscal 2008/09 is a year of extreme difficulties for the Macau gaming sector as a whole – full of challenge via a mixture of internal competition issue and external slowing global economy and continued financial market instability. Had it not for the Group's action in acquiring the profit stream of Joli, the leading junket at Wynn, Macau, a substantial drop in revenue is unavoidable.

The Macau, during the 2008/09, has been hard hit due to the following factors:

(a) visa restriction – the continuous tightening of visa in (i) prolonging the timing required in between the approval of visa to Macau, (ii) the prohibiting of making use of Hong Kong visa to travel to Macau and (iii) the requirement of going back to home city of renewing visa to visit Macau under multiple use Scheme for the case of business travelers. Nonetheless, even though the overall visitors number has risen irrespective of the visa restrictions measures, it does not help the VIP sector;

(b) the downturn in worldwide economy – the fall of the Lehman Brothers and the subsequent financial tsunami worldwide result in the substantial drop in the wealth of the public. The industrialists are of no exception. They by now have to pay more attention in chasing after orders as business has dropped by more than 50%. This being said, though some high net worth individuals have still preserved the wealth. They are extra prudent in spending and as such allocate less to expenses in Macau. A poverty cycle effect is that junkets are more reluctant to extend credit to customers in order to play safe in avoiding credit exposure. A further drop in rolling turnover resulted. An indirect effect is that entertainment "giants" such as Las Vegas Sands is unable to raise money from the capital market which results in suspension of capital expenditure/construction or the non-availability of new "points of visit"; and

(c) the massive anti-money laundering exercise enforced in the People's Republic of China ("PRC") whereby the head of a major electrical appliance chain store is suspected to be retained, the retention of the influential person of a major junket in Macau and the retention of a number of senior officials in both the Ministry of Commerce and the Ministry of Police (Public Security).

Apart from the various factors as depicted above, the VIP business are further affected due to the inability to repay the credit extended by customers either to junkets or to casinos direct due either to their own liquidity issue or to the fact that the PRC government has exercised stronger action in hampering the grey market of RMB/HK$ exchange or the inability of customers in going to Macau (a usual practice for customers is that customers would repay certain debt outstanding while getting back some non-negotiable chips when they travel to Macau again). Hence, the liquidity of junkets is tightened further which results in another poverty cycle and lower the VIP gaming business. In fact, following a peak of rolling turnover during May 2008, there is a general drop in rolling turnover generated by VIPs subsequently, both on the month to month and the year to year basis.

The apparent "not so worse" result as shown in the "revenue" figures published by the Government of the Macau SAR is due to the higher net win rate vis-a-vis the past, the even more aggressive extension of credit by certain junkets in a view to boost rolling turnover in preparing the corporate plan in raising money from the capital market and the increase contribution from the "mass market" (whereas the VIP market is shrinking).

With the aggressive chasing after of the business by a super junket for reason mentioned above, the originally proposed commission cap amongst the five super junkets had fallen through and business has been shifted to that particular junket as it is paying high commission that is beyond the rate other junket partners including our junket partners can pay. This is because our junket partners have to pay us 0.4% of the rolling turnover and that the gaming room facilities become "aged" comparing to the new wing (for the case of Wynn, Macau).

This being said, the impact on the VIP business would even be greater if this action has been singled out.

The Group is of no exception to the general rule of dropping in business. Even though the Group is having the prudent businessmen as it principal source of customer base and operating at a sector generally different from the majority which relies heavily on the PRC, the Group business has also been affected. This is due more to the indirect effect – customers focus more on their business to survive through this financial crisis and in certain cases, their operation may be affected as to different magnitude by the failure of some of their customers.

The overall performance of the Group for the current year 2008/09, nonetheless, is still acceptable when excluding the non-cash items of impairment loss in respect of intangible assets. This is a result of,

(1) the diversified customers base of the Group's different junket operators and the synergy effect created therein;

(2) the profit guarantee provided by the various junkets during the acquisitions (however, the majority of which had lapsed or is going to lapse soon); and

(3) the vision in anticipating the potential impact by conducting additional acquisitions during May 2008 and the balance share of profit stream of the operation of Joli Entretenimento Socieade Unipessoal Limitada, (the "Joli"), another junket at Wynn, Macau during November 2008; thereby, broaden further the customers base and diversify the risk of over-reliance on certain particular junkets.

In fact, had it not for the acquisition of the profit stream of Joli, the Group's revenue would be dropped by >30% on an apple to apple basis. The contribution of the profit stream of Joli is more than double that of the aggregate contribution of profit stream from Sat Ieng, Dore and Nove.

FINANCIAL REVIEW

For the year ended 31 March 2009, the Group was still engaged in two business streams: (i) gaming and entertainment sector; and (ii) trading sector. With the strong foundation established during the years over the Macau gaming and entertainment sector and in view of the uncertainty in collection of receivables derived from the trading operation, the Group would continue focusing on the gaming and entertainment business in the years to come while keeping an eye in identifying profitable and safe trading business.

Turnover of the Group was approximately HK$439,720,000, representing a 4.96% increase over the corresponding figure of approximately HK$418,910,000 in 2008. The Group's revenue was only marginally higher than that of last year and this was in line with the difficulties facing the Macau gaming sector during the year. In fact, had it not for the contribution derived from the acquisitions conducted by the Group during the year, the Group would encounter a drop in revenue.

Administrative expenses amounted to approximately HK$15,760,000 for the year ended 31 March 2009, an 3.54% increase from approximately HK$15,221,000 for 2008. The increase was mainly attributable to the relevant legal and professional expenses for acquiring Leading Century International Limited (the "Leading Century"), East & West International Inc. (the "East & West") and Pacific Force Inc. (the "Pacific Force") for involving further into the Macau entertainment and gaming sector, the additional headcounts added as a result therefrom, and the expenses relating to the promotion, traveling and publicity role associated with the increased attention of the Company's shares by the fund managers.

For the year ended 31 March 2009, finance cost amounted to approximately HK$127,249,000, increased as compared to approximately HK$58,058,000 for the year 2008. The increase was attributable to the interest arisen as a result of the convertible bonds and the promissory notes issued for the acquisition of several subsidiaries. Apart from these, the Group had no other debt. If these are excluded, the Group would have a net cash position and a bank interest income of HK$15,000 has been recorded. The substantial drop in interest income is mainly a result of the substantial drop in interest rate following the financial crisis and the active intervening of the Government of Hong Kong SAR in maintaining the peg with the US dollars via injection of money to the financial system, thereby, resulting in the extremely ease liquidity of the Hong Kong dollars treasury market.

Even though there is a positive contribution of profit streams from various junkets acquired, the Group's net figure still resulted in a net loss position of approximately HK$577,144,000, as compared to the net loss of approximately HK$774,025,000 for 2008. Similar to the annual result of 2007/08, the net loss was a result of non-cash impairment – a net profit before non-cash items of approximately HK$333,330,000 is a better reflection of the Group's actual operation result. The ultimate loss is a result of the impairment losses due to the inability to achieve the sales forecast and the downturn in Macau gaming sector. As there is a general drop in rolling turnover generated by VIPs during the year and the inability to achieve the sales forecast by our business partners, the Group recognized impairment losses in respect of the Sat Ieng Profit Agreement, the Dore Profit Agreement, the Nove Profit Agreement and the Joli Profit Agreement of HK$340.82 million, HK$354.74 million, HK$311.02 million and nil respectively.

	Year ended 31 March 2009 *(HK$'000)*
Loss attributable to the equity holders of the Company	(577,144)
Add: Non-cash items	
Fair value changes on financial assets at fair value through profit or loss	32,742
Fair value changes on derivative financial instruments	66,779
Impairment of intangible assets	1,006,584
Impairment of goodwill	73,522
Loss on early redemption of convertible bond	15,240
Loss on cancellation of promissory note	72
Notional interest of convertible bonds and promissory notes	33,958
Excess of acquirer's interest in fair value of acquiree's identifiable net assets over cost	(202,131)
Gain on cancellation of convertible bonds	(116,292)
Profit after striping out non-cash items	**333,330**

Basic and diluted loss per share for the year under review were both HK$41.83 cents (2008: basic and diluted loss per share of HK$69.59 cents).

Similar to 2008, as the Group's revenue is derived from the sharing of profit streams from investments in gaming and entertainment related business in Macau, there is no cost directly associated with it and hence, no cost of sales has been recorded. Gross margin is 100% (2008: 100%). The Group's operating cost is restricted to administrative expenses.

LIQUIDITY AND FINANCIAL RESOURCES

During the year, the Group funded its operation through a combination of equity financing and debt financing, including issuance of new shares, contribution from its investee company, issuance of promissory notes and convertible bonds. Financial position of the Group has remained reasonable during the year. During the year ended 31 March 2009, total assets of the Group were approximately HK$2,719.6 million (2008: HK$2,295.1 million) which were financed by shareholders' funds of approximately HK$841.26 million (2008: HK$1,185.10 million), current liabilities of approximately HK$79.23 million (2008: HK$21.87 million) and non-current liabilities of approximately HK$1,799.1 million (2008: HK$1,088.12 million). The Group funded its operation by cash generated from its operating activities, convertible bonds and promissory notes.

At 31 March 2009, the cash and cash equivalents of the Group amounted to approximately HK$51,014,000 and the Group's current ratio was 2.40 (2008: 9.47).

At 31 March 2009, the total liabilities of the Group amounted to approximately HK$1,878,360,000, mainly represents the convertible bonds and promissory notes issued for acquiring several subsidiaries. The Group's gearing ratio as at 31 March 2009, expressed as a percentage of total borrowings over total equity was 2.23 (2008: 0.9).

CAPITAL STRUCTURE

During the year, the Company issued:

(i) 82,400,000 new shares in April 2008, being the issue of new shares upon the exercise of the conversion rights attached to the first convertible bond;

(ii) 224,000,000 new shares in May 2008, being the issue of consideration shares for the acquisition of the 100% of Leading Century;

(iii) 20,000,000 new shares in May 2008 being the issue of new shares upon the exercise of the conversion rights attached to the first convertible bond;

(iv) 347,848,000 new shares in October 2008 at HK$0.17 per share, being the top up shares following the placing;

(v) 22,800,000 new shares in October 2008, being the issue of new shares upon the exercise of the conversion rights attached to the first convertible bond;

(vi) 81,151,576 new shares in November 2008 being the issue of consideration shares for the acquisition of the 100% of Pacific Force;

(vii) 109,552,738 new shares in January 2009 by way of open offer to the qualifying shareholders for the purpose of financing possible diversified investments and increasing general working capital after share consolidation.

On 19 December 2008, 2,191,054,769 shares at HK$0.10 per share were consolidated into 219,105,476.9 shares of HK$1.00 per share.

BORROWINGS

At 31 March 2009, the Group's borrowings in promissory notes amounted to approximately HK$502.57 million (2008: HK$449.00 million) and in convertible notes amounted to approximately HK$1,053.05 million (2008: HK$612.12 million) of which all repayable after one year.

Finance costs for the year amounted to approximately HK$127.25 million (2008: HK$58.06 million) an increase of approximately HK$69.19 million as compared with corresponding period in 2008.

CHARGES ON GROUP ASSETS

At 31 March 2009, none of the Group's assets was pledged to any financial institution for facilities (2008: Nil).

CONTINGENT LIABILITIES

At 31 March 2009, the Group had no contingent liabilities (2008: Nil).

FOREIGN EXCHANGE EXPOSURE

The Group continues to adopt a conservative treasury policy with all bank deposits in Hong Kong dollars, keeping a minimum exposure to foreign exchange risks. As a majority of the inflow and outflow is denominated in Hong Kong dollars, the Group has not adopted any hedging policy or entered into any derivative products which are considered not necessary for the Group's treasury management activities.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES

Details of acquisition of subsidiary and disposals of subsidiaries of the Group during the year are set out in Note to Financial Statements: acquisition of subsidiaries and disposal of subsidiaries to the audited financial statement of the Group on annual report 2009.

EMPLOYEES

Similar to the past, the Group has adopted the need only approach in recruiting employees. As at 31 March 2009, the Group has a total of 7 staff, represented by 3 executive directors, 3 general managers and 1 account officer. The 3 general managers are respectively Mr. Tang Chien Chang, Mr. J. Scolari and Mr. Chen Yi-ming who are the owners of the respective junkets at Sands Macao, (Dore) Wynn, Macau and Venetian Macau respectively and they are responsible for overseeing the business volume and progress of Worth Perfect, Triple Gain and Leading Century and monitoring the development of Macau gaming industry which are relevant and crucial to the continuous success of the Group. On the other hand, they would not be appointed directors of the Company nor carry out any other supervisory role.

Total staff costs, including directors' remuneration amounted to approximately HK$5.9 million (2008: HK$5.1 million). The increase is due to the extra headcount and the increase in salary to selected employees in line with the additional workload involved commensurate to the market.

The objective of the Group's remuneration policy is to attract, motivate and retain talented employees or consultants to achieve the Group's long-term corporate goals and objectives. In order to achieve this, the Group has committed to remunerating its employees and consultants in the manner that is market competitive, consistent with good industry practices as well as meeting the interests of shareholders. The remuneration policy and packages of the Group's employees and consultants are regularly reviewed by the Board. Apart from fixed compensation which is normally reviewed on an annual basis based on performance and other relevant factors, provident fund scheme, medical insurance and discretionary bonuses, share options are also granted to employees and consultants according to the assessment of individual performance with reference to the value of share option, market positioning, job security and the individual contribution to the Group. As the Group sees the staff as the most valuable asset, the Group has committed to the development and growth of all employees and considered training and development a life-long process. Appropriate courses would be offered to suitable candidates.

PROSPECTS

Macau's gaming revenue has continued to grow at an unprecedently high pace in 2007 and the first six months of 2008. It is a nature inclination to believe that the growth trend would persist in the future, of which we are of no exception. However, the trend changes and business remains some sort flat or even drop vis-à-vis the year of 2007 subsequently. This has caused us to reconsider the various variables in order to better evaluate the outlook of the gaming and entertainment sector in Macau in setting our future strategy.

If one has kept a close eye on the development of gaming sector of Macau and read the figures in between the lines, it is obvious that the Macau has entered into the stage of winter starting the second half of 2008. The situation has not been improved sinceforth due to the general global economic conditions and specific challenges to the gaming industry. Some typical evidence being a number of unfinished projects, unfulfilled commitments and cutbacks in employment (in fact, proposed layoff of additional 4,000 staff by a major concessionaire lately) and procurement of services. This fact has, on the other hand, been on and off for certain reasons, distorted by spreading rumors such as, the loosening of visas, the commission cap, ... The known fact is that there is not such loosening even up to now and the revenue figures maintain at roughly the same level (some minor fluctuation due to the seasonal effect and the change in net win rate effect). We do not anticipate the situation would be improved or new policy be implemented until the end of the year when the new Chief Executive of the Macau SAR comes to place.

This being said, the participants of the gaming sector have at least another half year from now of difficulty. Competition in the Macau gaming industry increased in intensity, particularly in the VIP gaming segment both amongst the junkets themselves as well as from the casinos.

The situation for junkets is even more difficult due to the overall tightening in credit market conditions while some other junkets have loosen the credit policy and paid extra high commission paid to agents (sub-junkets) in order to lure business for some reasons. Our two partners at Sands and Wynn, i.e. Sat Ieng and Dore had already indicated the difficulty in maintaining the business level under the current market situation with the requirement of 0.4% of the rolling turnover having to be given to the listed company. The other side of the coin is that concession holders, in order to lure customers from junkets, have increased the commission as well as special services provide to the VIPs (e.g. provision of private jet service, ...); thereby, have increased the cost of junkets in retaining their customers and in certain incidents, the junkets have even lost their customers to concession holders.

Looking forward, in implementing our strategy, we have to strive the balance between the anticipated return with the financing cost. This approach has also been followed by some of the Group's peer – termination of a potential acquisition in view of the value of the "profits", the share price and the market potential and to be replaced by another one of much smaller scale.

The Group has acquired the profit stream of new junket at Wynn, the Joli and the board is proud to note that the performance is so far satisfactory. In fact, had it not for the contribution of this junket, the revenue of the Group for the year 2008/09 would drop comparing to that of 2007/08.

On the other hand, it is apparent that the market for certain of the Group's junket partners are operating would not be good. As such, the Group has taken a strategic decision to slow down the development in gaming and entertainment sector and reassess its investment. Apart from the macro picture of economic crisis, credit, the unfair competition from some of the junkets, as mentioned above, the 2 junkets in issue have extra problems. For the case of Sat Ieng, the business of the same has been affected by the number of unfavorable news surrounding the Las Vegas Sands and for the case of Dore, the junket at Wynn, Macau, it business has been affected following the opening of Joli which is located in the new wing of Wynn, Macau which has more private rooms for VIPs.

It is anticipated that with the opening of the City of Dream by June 2009, additional business from the same pool would be lured that way and further hurt the outlook of the Group's partners.

Hence, the Group has adopted the painful move in disposing the profit streams from one junket at Sands and another one at Wynn, i.e. Sat Ieng and Dore in view of the market potential, the interest incurred due to the convertible bonds and the promissory notes and the obligation to repay the convertible bonds and the promissory notes when time comes. The basic theme is to strengthen our balance sheet by reducing our debt and interest payments while retaining cash holdings. We remain focused on delivering shareholder value.

To sum, the year 2009 remains challenging with the turmoil in the global banking sector expected to be spreading to the real economy, resulting in an inevitable global economic slowdown. The Group, in order to deliver the acceptable result to shareholders under this extraordinary global economic pressure, would adopt a particular prudent approach in weathering through this long winter. We sincerely hope that the hard time can pass away by the end of year 2009 when the new Chief Executive of the Macau SAR is in place, the PRC economy has improved and able to achieve 8% annual GDP growth and as such, would grant some "policies" to the new Chief Executive.

CORPORATE GOVERNANCE PRACTICES

In the opinion of the Board, the Company had complied with all code provisions set out in the Code on Corporate Governance Practices ("CG Code") contained in Appendix 14 of the Rules Governing the listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") during the year ended 31 March 2009, except for the deviation from Code A.2.1 and Code A.4.1 of CG Code as described below:

i. **Code A.2.1 of CG Code**

Code A.2.1 of CG Code provides, inter alia, that the roles of chairman and chief executive officer should be separated and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established and set out in writing.

The Company does not officially have a position of Chief Executive Officer. However, Mr. Yao Wai Kwok, Daniel has been assuming the roles of Chief Executive Officer of the Company. With the resignation of Mr. Lum Chor Wah, Richard as Chairman, the members of the board will share the responsibilities of the role of chairman jointly and the Company still looks for appropriate person to fill the vacancy. Before the appointment of Mr. Yao Wai Kwok, Daniel, Mr. Lum Chor Wah, Richard has been assuming the roles of both the Chairman and Chief Executive Officer of the Company. In this regard, the Company has deviated from Code A.2.1 of CG Code. The Board believes that it would provide the Group with strong and consistent leadership and allow the Group's business operations, planning and decision making as well as execution of long-term business strategies to be carried out more effectively and efficiently during the year. Once the Company looks for appropriate Chairman, the role of chairman and chief executive officer will be separated.

ii. **Code A.4.1 of CG Code**

Code A.4.1 of CG Code provides that non-executive directors should be appointed for a specific term, subject to re-election.

Mr. Leung Chi Hung, Mr. Tsui Robert Che Kwong, Mr. Cheung Yim Kong, Johnny and Mr. Lee Chan Wah, being the independent non-executive directors of the Company, were not appointed for a specific term but are subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Company's Bye-laws.

MODEL CODES OF DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the "Model Code") as its own code of conduct regarding directors' securities transactions on terms no less exacting than the required standard under the Model Code. Having made specific enquiry of all directors, the directors of the Company confirmed that they had complied with the required standard set out in the Model Code throughout the year ended 31 March 2009.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the year ended 31 March 2009.

AUDIT COMMITTEE

The Company has an audit committee, which was established in compliance with rule 3.21 of the Listing Rules for the purpose of reviewing and providing supervision over the Group's financial reporting process and internal controls. The audit committee comprises the four independent non-executive directors of the Company.

The audit committee has reviewed the consolidated financial results of the Company for the year ended 31 March 2009.

DIRECTORS

As at the date of this announcement, the Board comprises of three executive directors, namely Mr. Pun Yuen Sang, Mr. Yao Wai Kwok, Daniel and Mr. Leung Wai Man and four independent non-executive directors, namely Mr. Leung Chi Hung, Mr. Tsui Robert Che Kwong, Mr. Cheung Yim Kong, Johnny and Mr. Lee Chan Wah.

PUBLICATION OF FINANCIAL INFORMATION

This results announcement is published on the websites of The Stock Exchange of Hong Kong Limited (www.hkex.com.hk) and the Company (www.dore-holdings.com.hk). The Company's annual report for 2009 will be dispatched to the shareholders of the Company and available on the above websites in due course.

By Order of the Board
Dore Holdings Limited
Yao Wai Kwok Daniel
Executive Director

Hong Kong, 1 June 2009