DORE HOLDINGS LIMITED
多金控股有限公司*

(incorporated in Bermuda with limited liability)

(stock code: 628)

ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 31 MARCH 2010

The board of directors (the "Board") of 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 2010 together with the comparative figures as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2010

	Notes	**2010** **HK$'000**	2009 *HK$'000*
Turnover	*5*	**352,806**	439,720
Other revenue	*5*	**14**	15
Administrative expenses		**(9,368)**	(15,760)
Equity-settled share-based payments		**(2,553)**	–
Excess of acquirer's interest in fair value of acquiree's identifiable net assets over cost	*7*	**192,825**	202,131
Fair value changes on financial assets at fair value through profit or loss		**34,869**	(32,742)
Fair value changes on derivative financial instruments		**(7,912)**	(66,779)
Impairment loss recognised in respect of intangible assets		**(794,079)**	(1,006,584)
Impairment loss recognised in respect of goodwill		**(46,270)**	(73,522)
Loss on disposals of subsidiaries		**(15,955)**	(668)
Loss on early redemption of convertible bonds		**(21,206)**	(15,240)
(Loss)/gain on cancellation of convertible bonds		**(122,698)**	116,292
Loss on early repayment of promissory note		**(337)**	–
Loss on cancellation of promissory notes		**(67,714)**	(72)
Finance costs	*8*	**(128,904)**	(127,249)

* *For identification purpose only*

	Notes	**2010** ***HK$'000***	2009 *HK$'000*
Loss before taxation		**(636,482)**	(580,458)
Taxation	*9*	**4,258**	3,314
Loss for the year	*6*	**(632,224)**	(577,144)
Other comprehensive income for the year, net of tax		**–**	–
Total comprehensive expense for the year		**(632,224)**	(577,144)
Loss for the year attributable to owners of the Company		**(632,224)**	(577,144)
Total comprehensive expense attributable to owners of the Company		**(632,224)**	(577,144)
Loss per share	*11*		
– Basic and diluted *(HK cents)*		**(85.91)**	(41.83)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2010

	Notes	**2010** **HK$'000**	2009 *HK$'000*
Non-current assets			
Property, plant and equipment		**24**	1,424
Intangible assets	*12*	**357,409**	2,098,869
Goodwill		**–**	428,883
		357,433	2,529,176
Current assets			
Accounts receivable	*13*	**4,532**	51,036
Deposits and other receivables		**176**	386
Financial assets at fair value through profit or loss		**46,862**	53,589
Derivative financial instruments		**6,675**	34,421
Cash and bank balances		**98,390**	51,014
		156,635	190,446
Assets classified as held for sale	*14*	**463,570**	–
		620,205	190,446
Current liabilities			
Other payables and accruals		**15,119**	79,053
Tax payable		**–**	180
		15,119	79,233
Liabilities directly associated with assets classified as held for sale	*14*	**16**	–
		15,135	79,233
Net current assets		**605,070**	111,213
Total assets less current liabilities		**962,503**	2,640,389

	Notes	2010 HK$'000	2009 HK$'000
Non-current liabilities			
Loan from a shareholder		**–**	130,000
Promissory notes – due after one year		**95,145**	502,567
Convertible bonds – due after one year		**507,807**	1,053,053
Deferred tax liabilities		**51,057**	113,507
		654,009	1,799,127
Net assets		**308,494**	841,262
Capital and reserves			
Share capital		**13,930**	328,658
Reserves		**294,564**	512,604
Equity attributable to owners of the Company		**308,494**	841,262

Notes:

1. GENERAL INFORMATION

Dore Holdings Limited (the "Company") was incorporated in Bermuda as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited. The registered office of the Company is located at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda and the principal place of business in Hong Kong is 19th Floor, BLINK, 111 Bonham Strand, Sheung Wan, Hong Kong.

The principal activity of the Company is investment holding. The Group is principally engaged in operations which receive the profit streams from gaming and entertainment related business.

2. BASIS OF PREPARATION

The consolidated 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 consolidated 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 consolidated 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 consolidated financial statements is historical cost convention except for financial assets at fair value through profit or loss and derivative financial instruments which have been carried at fair value.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

In the current year, the Group has applied for the first time, the following new and revised standards, amendments and interpretations ("new HKFRSs") issued by the HKICPA, which are effective for the Group's financial year beginning 1 April 2009.

HKAS 1 (Revised)	Presentation of Financial Statements
HKAS 23 (Revised)	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)	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 1 July 2009
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2009 in relation to the amendments to paragraph 80 of HKAS 39

HKAS 1 (Revised) *Presentation of Financial Statements* has introduced terminology changes (including revised titles for the financial statements) and changes in the format and content of the financial statements.

HKFRS 8 *Operating Segments* is a disclosure standard that has not resulted in a change in presentation of the segment information *(Note 4)*.

The amendments to HKFRS 7 *Financial Instruments: Disclosures* expand and amend the disclosures required in relation to fair value measurements and liquidity risk. The Group has not provided comparative information for the expanded disclosures in accordance with the transitional provision set out in the amendments.

Except as described above, 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 and interpretations that have been issued but are not yet effective.

Impact of new and revised HKFRSs not yet effective

HKFRSs (Amendments)	Improvements to HKFRSs – amendments to HKFRS 5[1]
HKFRSs (Amendments)	Improvements to HKFRSs 2009[2]
HKFRSs (Amendments)	Improvements to HKFRSs 2010[6]
HKAS 24 (Revised)	Related Party Disclosures[6]
HKAS 27 (Revised)	Consolidated and Separate Financial Statements[1]
HKAS 32 (Amendment)	Classification of Right Issues[4]
HKAS 39 (Amendment)	Eligible Hedged Items[1]
HKFRS 1 (Revised)	First-time Adoption of Hong Kong Financial Reporting Standards[1]
HKFRS 1 (Amendment)	Additional Exemptions for First-Time Adopters[3]
HKFRS 1 (Amendment)	Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters[5]
HKFRS 2 (Amendment)	Group Cash-settled Shared-based Payment Transactions[3]
HKFRS 3 (Revised)	Business Combinations[1]
HKFRS 9	Financial Instruments[7]
HK(IFRIC) – Int 14 (Amendment)	Prepayments of a Minimum Funding Requirement[6]
HK(IFRIC) – Int 17	Distribution of Non-cash Assets to Owners[1]
HK(IFRIC) – Int 19	Extinguishing Financial Liabilities with Equity Instruments[6]

[1] *Effective for annual periods beginning on or after 1 July 2009*

[2] *Effective for annual periods beginning on or after 1 January 2010 except for the amendments 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*

[3] *Effective for annual periods beginning on or after 1 January 2010*

[4] *Effective for annual periods beginning on or after 1 February 2010*

[5] *Effective for annual periods beginning on or after 1 July 2010*

[6] *Effective for annual periods beginning on or after 1 January 2011*

[7] *Effective for annual periods beginning on or after 1 January 2013*

HKAS 27 (Revised) *Consolidated and Separate Financial Statements* requires the effects of all transactions with minority interest to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses. The standard also specifies the accounting when control is lost. Any remaining interest in the entity is remeasured to fair value, and a gain or loss is recognised in profit or loss. The Group will apply HKAS 27 (revised) prospectively to transactions with minority interest from 1 April 2010.

HKFRS 3 (Revised) *Business Combinations* continues to apply the acquisition method to business combinations, with some significant changes. For example, all payments to purchase a business are to be recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently remeasured through the consolidated statement of comprehensive income. There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interest in the acquiree's net assets. All acquisition-related costs should be expensed. The Group will apply HKFRS 3 (revised) prospectively to all business combinations from 1 April 2010.

HKFRS 9 *Financial Instruments* introduces new requirements for the classification and measurement of financial assets and will be effective from 1 January 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 will affect the classification and measurement of the Group's financial assets.

The directors of the Company anticipate that the application of the other new and revised standards, amendments and interpretations will have no material impact on the results and the financial position of the Group.

4. SEGMENT INFORMATION

The Group has adopted HKFRS 8 *Operating Segments* with effect from 1 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 makers for the purposes 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. In the past, the Group's primary reporting segment was business segment.

The Group currently operates in one business segment in the gaming and entertainment segment receiving profit streams from gaming and entertainment related business. A single management team reports to the chief operating decision makers who comprehensively manages the entire business. Accordingly, the Group does not have separately reportable segment.

Revenue from major services

All of the Group's revenue for the years ended 31 March 2010 and 2009 are derived from profit streams from gaming and entertainment related business.

Geographical information

The Group operates in two principal areas – Gaming and entertainment business operates in Macau and administrative activities operate in Hong Kong.

The Group's revenue is solely generated from external customers in Macau.

The Group's information about its non-current assets by geographical location are detailed below:

	Non-current assets	
	2010	2009
	HK$'000	*HK$'000*
Macau	**357,409**	2,527,752
Hong Kong	**24**	1,424
	357,433	2,529,176

Information about major customer

Included in revenue arising from profit streams of gaming and entertainment related business of approximately HK$352,806,000 (2009: HK$439,720,000) are revenue of approximately HK$244,287,000 (2009: HK$155,739,000) whose arose from the Group's largest customer.

Revenue of approximately HK$305,197,000 (2009: HK$439,720,000) is derived from two customers (2009: four customers) which individually account for 10% or more of the Group's total revenue.

5. TURNOVER AND OTHER REVENUE

An analysis of turnover and other revenue is as follows:

	The Group	
	2010	2009
	HK$'000	*HK$'000*
Turnover		
Profit streams from gaming and entertainment related business	**352,806**	439,720
Other revenue		
Interest income	**14**	15

6. LOSS FOR THE YEAR

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

	The Group	
	2010	2009
	HK$'000	*HK$'000*
Depreciation	**397**	487
Auditors' remuneration	**650**	750
Minimum lease payments under operating leases in respect of land and buildings	**1,035**	1,006
Loss on disposal of property, plant and equipment	**546**	–
Staff costs (excluding directors' remuneration)		
Salaries and wages	**1,548**	4,254
Pension scheme contributions	**25**	56
	1,573	4,310
Equity-settled share-based payments		
– employees	**980**	–
– consultants	**1,573**	–
	2,553	–
	4,126	4,310

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

For the year ended 31 March 2010

Pursuant to the Nove Profit Agreement, the Joli Profit Agreement 2 and the Joli Profit Agreement 3, Mr. Chen Yi Ming ("Mr. Chen") and Mr. Sin Chun Shing ("Mr. Sin") have provided certain profit guarantee over the profits sharing with Triple Gain Group Limited ("Triple Gain"), East & West International Inc. ("East & West") and Pacific Force Inc. ("Pacific Force"). During the year ended 31 March 2010, the profits sharing to the Group of the Nove Profit Agreement, the Joli Profit Agreement 2 and the Joli Profit Agreement 3 were shortfall of approximately HK$105,256,000, HK$89,494,000 and HK$11,187,000 respectively. In accordance with the terms and conditions of the relevant profit agreements, Mr. Chen and Mr. Sin had agreed to compensate such shortfalls by setting off the outstanding principal amount of Fourth Convertible Bond of approximately HK$105,256,000 and Fifth Convertible Bond of approximately HK$470,182,000 respectively.

In relation to such compensation, an adjustment was made to the consideration for the acquisitions of Triple Gain, East & West and Pacific Force. As at 31 March 2010, the carrying amounts of goodwill arisen from these acquisitions have been adjusted by approximately HK$382,613,000. The amount of approximately HK$192,825,000 represents the residual amount which was charged to the consolidated statement of comprehensive income during the year ended 31 March 2010.

For the year ended 31 March 2009

Pursuant to the Nove Profit Agreement, Mr. Chen has provided certain profit guarantee over the profits sharing with Triple Gain. During the year ended 31 March 2009, the profits sharing to the Group were shortfall of approximately HK$202,131,000. In accordance with the terms and conditions of the profit agreement, Mr. Chen had agreed to compensate such shortfalls by setting off the outstanding principal amount of the Fourth Convertible Bond of approximately HK$202,131,000.

In relation to such compensation, an adjustment was made to the consideration for the acquisition of Triple Gain. The amount of approximately HK$202,131,000 was charged to the consolidated statement of comprehensive income during the year ended 31 March 2009.

8. FINANCE COSTS

	The Group	
	2010	2009
	HK$'000	*HK$'000*
Effective interest on promissory notes not wholly repayable within five years	**15,656**	36,024
Effective interest on promissory notes wholly repayable within five years	**701**	2,157
Effective interest on convertible bonds wholly repayable within five years	**112,547**	89,068
	128,904	127,249

9. TAXATION

Hong Kong profits tax has been provided at the rate of 16.5% (2009: 16.5%) 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 2010 and 2009. The Group is not subject to any tax in Macau.

	The Group	
	2010	2009
	HK$'000	*HK$'000*
Tax credited for the year:		
Deferred tax liabilities		
Convertible bonds	**4,258**	3,314

10. DIVIDENDS

No final dividend was proposed by the directors for the year ended 31 March 2010.

On 14 July 2009, the directors declared the payment of a final dividend of HK2 cents per share for the year ended 31 March 2009.

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

11. LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

Basic loss per share

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

	2010	2009
	HK$'000	*HK$'000*
Loss		
Loss attributable to owners of the Company for the purpose of basic loss per share	**(632,224)**	(577,144)

	2010	2009
	'000	*'000*
Number of ordinary shares		
Weighted average number of ordinary shares for the purpose of basic loss per share	**735,900**	1,379,728

Diluted loss per share

Diluted loss per share for the years ended 31 March 2010 and 2009 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 because the effects of the Company's outstanding convertible bonds and share options were anti-dilutive.

12. INTANGIBLE ASSETS

The Group

	Rights in sharing of profit streams
	HK$'000
Cost	
At 1 April 2008	2,700,307
Additions on acquisition of subsidiaries	1,183,424
At 31 March 2009 and 1 April 2009	3,883,731
Disposal of subsidiaries	(1,205,029)
Reclassified as held for sale	(1,183,424)
At 31 March 2010	1,495,278
Accumulated impairment	
At 1 April 2008	778,278
Impairment loss recognised for the year	1,006,584
At 31 March 2009 and 1 April 2009	1,784,862
Elimination on disposal	(695,568)
Impairment loss recognised for the year	794,079
Elimination on reclassified as held for sale	(745,504)
At 31 March 2010	1,137,869
Carrying amount	
At 31 March 2010	**357,409**
At 31 March 2009	2,098,869

Details of intangible assets are as follows:

	Sat Ieng Profit Agreement *HK$'000*	Dore Profit Agreement *HK$'000*	Nove Profit Agreement *HK$'000*	Joli Profit Agreement *HK$'000*	Total *HK$'000*
At 1 April 2008	590,464	614,565	717,000	–	1,922,029
Addition on acquisitions of subsidiaries	–	–	–	1,183,424	1,183,424
Impairment loss recognised for the year	(340,828)	(354,740)	(311,016)	–	(1,006,584)
At 31 March 2009 and 1 April 2009	249,636	259,825	405,984	1,183,424	2,098,869
Disposal of subsidiaries	(249,636)	(259,825)	–	–	(509,461)
Impairment loss recognised for the year	–	–	(48,575)	(745,504)	(794,079)
Reclassified as held for sale	–	–	–	(437,920)	(437,920)
At 31 March 2010	**–**	**–**	**357,409**	**–**	**357,409**

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$794,079,000 (2009: HK$1,006,584,000) was recognised during the year ended 31 March 2010 by reference to the valuation report issued by Messrs. Grant Sherman Appraisal Limited ("Grant Sherman"), independent qualified professional valuer, at 31 March 2010 which valued the intangible assets on discounted cash flow method. The discount rate applied was approximately 20.09% (2009: 18.10%). The main factor contributing to the impairment was the profit guarantee from the Nove Profit Agreement and the Joli 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.

13. ACCOUNTS RECEIVABLE

The Group

The Group's trading terms with its customers are mainly on credit. The Group receives the profit streams 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 end of the reporting period, based on invoice date, is as follows:

	2010	2009
	HK$'000	*HK$'000*
Within 15 days	**4,532**	51,036

Included in the Group's accounts receivable balance, no debtors are past due at the date of approval of these consolidated financial statements (2009: Nil). The Group does not hold any collateral over these balances.

14. ASSETS CLASSIFIED AS HELD FOR SALE

On 9 November 2009, the Company entered into a sale and purchase agreement to sell the entire issued share capital of Team Jade Enterprises Limited ("Team Jade") and its subsidiaries at a consideration of HK$500,000,000. The disposal of Team Jade was completed on 12 May 2010. The major classes of assets and liabilities comprising the assets classified as held for sale at the end of the reporting period are as follows:

	2010
	HK$'000
Property, plant and equipment	**481**
Intangible assets	**437,920**
Accounts receivable	**1,748**
Deposits and other receivables	**8**
Cash and bank balances	**23,413**
Assets of the disposal group classified as held for sale	**463,570**
Other payables and accruals	**16**
Liabilities of disposal group associated with assets classified as held for sale	**16**
Net assets of the disposal group classified as held for sale	**463,554**

15. EVENTS AFTER THE REPORTING PERIOD

(i) On 9 November 2009, the Company entered into a sale and purchase agreement with Mr. Sin to sell the entire issued share capital of Team Jade and the sale debts at a total consideration of HK$500,000,000. The consideration is satisfied by offsetting against the outstanding principal amount of convertible bonds. On 12 May 2010, the transaction has been completed. For further details, please refer to the Company's announcement dated 19 January 2010.

(ii) On 18 May 2010, Rise Market Company Limited, a wholly-owned subsidiary of the Company and an independent third party (the "Vendor") entered into a termination agreement whereby the parties have mutually agreed to terminate the memorandum of understanding in relation to the possible acquisition of the entire issued share capital of a company incorporated in British Virgin Islands with limited liability and beneficially owned by the Vendor at the consideration of not less than HK$200,000,000 with immediate effect. For further details, please refer to the Company's announcements dated 3 February 2010 and 18 May 2010.

(iii) On 7 June 2010, the Company entered into the subscription agreement with Mr. Ng Cheuk Fai ("Mr. Ng") pursuant to which Mr. Ng has conditionally agreed to subscribe for 352,941,176 new shares of the Company at the subscription price of HK$0.17 per new share. The aggregate subscription price shall be satisfied by capitalising the capitalisation amount of HK$60,000,000. The balance amount of promissory note in the sum of HK$100,000,000 shall be repaid in full by the Company to Mr. Ng. The SGM will be convened and held for the purpose of considering and approving the subscription agreement and the transactions contemplated thereunder. For further details, please refer to the Company's announcement dated 7 June 2010.

DIVIDEND

The directors do not recommend the payment of final dividend for the year ended 31 March 2010 (2009: HK2 cents).

MANAGEMENT DISCUSSION AND ANALYSIS

The financial tsunami in 2008 brought to a severe downturn in the world wide economy which had affected our performance in gaming and entertainment related business. During the year under review, in line with the other players in Macau gaming sector, the performance is disappointing comparing with the 2009. With a rapid increase in VIP gaming rooms in recent years, VIP junkets offer higher rebates and extend unsecured credits to VIP customers aggressively in order to maintain their rolling turnover. As a result, most of the junkets in Macau have encountered liquidity problem due to the difficulties in debt collection. Our junkets partners even manage their credit risk prudential but, due to the keen competition, the rolling turnover has dropped. The main factors which lead the drop include

(i) Visa restriction

In September 2009, the PRC Government further announced that Mainland Chinese citizens with only a Hong Kong visa and not a Macau visa could no longer enter Macau from Hong Kong.

(ii) Global financial crisis

The beginning of the global financial crisis in September 2008 has caused massive wealth destruction to businessmen and high-earning executives, which led to a severe downturn in Macau VIP gaming. Although an economic turnaround now appears underway, most of the VIP customers have reduced their frequency of visits to Macau and/or betting on each visit.

(iii) Decreased liquidity

VIP customers generally bet on credit granted by junkets and such credit is typically unsecured. After the global financial crisis, junkets have encountered decreased liquidity due to the difficulties in debts collection, which limits their ability to grant credit or the amount of credit to their VIP customers. As such, the operating results of junkets are adversely affected.

(iv) Squeeze in junkets' profit margin

The Macau VIP gaming industry is highly competitive. With the rapid increase in the number of VIP gaming rooms in recent years, junkets have to offer a higher rebate to attract and/or retain VIP customers, which squeezes their profit margin. In addition, the Macau Government published certain guidelines with respect to cap on the commission rates payable to junkets in August 2009. Although the Macau Government has not implemented caps on the commission rates payable to junkets, most of the junkets are not able to obtain favorable terms in renewing their gaming promotion agreements.

(v) Loss of quality VIP customers

As a significant portion of Macau casinos' gaming revenue is derived from VIP customers introduced by junkets, Macau casino operators have undertaken initiatives to establish direct relationships with quality VIP customers in order to reduce their reliance on junkets. They generally offer very competitive package to selected quality VIP customers that junkets could not match. As a result, junkets have lost a significant number of their quality VIP customers to casino operators.

Due to the dropping on the rolling turnover of the junket partners, our junkets partners cannot meet their obligations under their respective profit guarantee and a further provision in impairments of the Group is required.

Following the opening of Encore in Wynn Macau on April 2010, additional competitors have entered into the market and wrested the turnover of Joli. The future performance of Joli should be deteriorated and we finally, have disposed on 12 May 2010.

Some listed issuers, who engage in similar kind of business as that of the Group does, have not received profit streams on time and their receivables on profit streams were relatively high when compared to the Group. Finally, they even recorded the impairment loss on their receivables on profit streams. Unlike other listed issuers in similar businesses, the Group has never experienced any delay in receiving profit streams from our junket partners under the relevant profit agreements despite they may having a tight cash flow in their junket operations caused by the competition in VIP gaming activities. It is largely reliant upon the business relationship and trust that has built up between the Company and our junket partners.

Although the Group's principal business activity in gaming and entertainment related business will be streamlined following the disposal of Joli, the Group continues to have a sufficient level of operations because its interest in the VIP gaming at The Venetian via Triple Gain and the revenue generated is stable. Mr. Chen Yi-Ming is the sole owner of Nove and is a general manager of the Company who is responsible for the operations of Nove at the Venetian gaming room for the purpose of the Nove Profit Agreement. The Group can maintain strict control over the outstanding receivables to minimise our credit risk.

FINANCIAL REVIEW

For the year ended 31 March 2010, the Group was only engaged in core business stream: gaming and entertainment sector. With the strong foundation established during the years over the Macau gaming and entertainment sector, 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$352,806,000 representing a 19.77% decrease over the corresponding figure of approximately HK$439,720,000 in 2009. The Group's revenue was lower than that of last year and this was in line with the difficulties facing the Macau gaming sector during the year. The main reason for the decrease was attributed to the disposal of Sat Ieng Profit Agreement and the Dore Profit Agreement on 15 July 2009. If an apple is compared with an apple, the rolling turnover of the junket partners, is satisfied but at the deteriorating trend. Especially the turnover of Joli has decreased since September 2009 and Joli is experiencing difficulties in collecting debts from its credit VIP customers. The decrease in turnover is due to Joli's inability to extend more credit to its credit VIP customers. Following the opening of Encore in Wynn Macau on April 2010, additional competitors have wrested Joli's turnover in Wynn Macau. In the future, only the turnover of Nove can provide stabilizing profit stream of the Group relativity.

Similar to 2009, 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% (2009: 100%). The Group's operating cost is restricted to administrative expenses.

Administrative expenses was approximately HK$9,368,000 for the year ended 31 March 2010, a 40.56% decrease from approximately HK$15,760,000 for 2009. The decrease was mainly attributed to the salaries and the expenses relating to the promotion, traveling and publicity role.

For the year ended 31 March 2010, finance cost was approximately HK$128,904,000, marginally increased as compared to approximately HK$127,249,000 for the year 2009. The increase was attributed to the interest arisen as a result of the convertible bonds and the promissory notes issued for the acquisitions of several subsidiaries.

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$632,224,000, as compared to the net loss of approximately HK$577,144,000 for 2009. Similar to the annual result of 2008/09, the net loss was a result of non-cash impairment – a net profit before non-cash items of approximately HK$347,710,000 is a better reflection of the Group's actual operation result.

	Year ended 31 March 2010 *HK$'000*
Net loss per annual report	(632,224)
Adjusted for non-cash items	
Excess of acquirer's interest in fair value of acquiree's identifiable net assets over cost	(192,825)
Equity-settled share-based payments	2,553
Fair value changes on financial assets at fair value through profit or loss	(34,869)
Fair value changes on derivative financial instruments	7,912
Loss on disposals of subsidiaries	15,955
Loss on early repayment of promissory note	337
Loss on early redemption of convertible bonds	21,206
Loss on cancellation of promissory notes	67,714
Loss on cancellation of convertible bonds	122,698
Impairment loss recognised in respect of intangible assets	794,079
Impairment loss recognised in respect of goodwill	46,270
Notional interest cost of convertible bonds and promissory notes	128,904
Profit after striping out non-cash items	347,710

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 approximately HK$14,000 has been recorded.

The ultimate loss is a result of the impairment loss due to the inability to achieve the sales forecast and the downtune 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 loss in respect of the Nove Profit Agreement and Joli Profit Agreement of approximately HK$48,575,000 and HK$745,504,000 respectively.

Basic and diluted loss per share for the year under review were both HK$85.91 cents (2009: HK$41.83 cents). Due to the change of number of shares by capital reduction on 14 July 2009, the basic and diluted loss per share increase 105% even the loss for the year attributable to owners of the Company is approximately HK$632,224,000, a 9.54% increase as compared to the loss of approximately HK$577,144,000 for 2009.

Liquidity and Financial Resources

During the year, the Group funded its operation mainly through an equity financing, including issuance of new shares and contribution from its investee company. Financial position of the Group has remained reasonable during the year. As at 31 March 2010, total assets of the Group were approximately HK$977,638,000 (2009: HK$2,719,622,000) which were financed by capital and reserves of approximately HK$308,494,000 (2009: HK$841,262,000), current liabilities of approximately HK$15,135,000 (2009: HK$79,233,000) and non-current liabilities of approximately HK$654,009,000 (2009: HK$1,779,127,000).

Equity attributable to owners of the Company at 31 March 2010 was approximately HK$308,494,000 (2009: HK$841,262,000). The decrease was mainly attributable to the impairments of intangible assets and goodwill due to our business markets' recession.

At 31 March 2010, the cash and cash equivalents of the Group amounted to approximately HK$98,390,000 and the Group's current ratio was 40.98 (2009: 2.40). The increase is mainly attributed to the assets and liabilities classified as held for sale that includes Team Jade and its subsidiaries. Without the assets classified as held for sale, the total current assets amounted to approximately HK$156,635,000 and the current ratio was 10.36.

At 31 March 2010, the total liabilities of the Group amounted to approximately HK$669,144,000, mainly representing the convertible bonds and promissory notes issued for acquiring several subsidiaries (2009: HK$1,878,360,000). The decrease was attributed to the early redemption on convertible bonds and promissory notes during the year under review. The Group's gearing ratio as at 31 March 2010, expressed as a percentage of total borrowings over total equity was 2.17 (2009: 2.23).

Capital Structure

As a result of the Company's capital re-organisation effective on 15 July 2009, each of the authorised but unissued shares of HK$1.00 each was subdivided into 100 new shares of HK$0.01 each, and the nominal value of each of the issued shares of HK$1.00 each was reduced to HK$0.01 by cancelling the paid-up capital to the extent of HK$0.99 on each issued share.

After capital re-organisation, the Company issued 300,000,000 new shares on 27 July 2009 at HK$0.30 per share and 300,000,000 new shares on 12 August 2009 at HK$0.30 per share, being the placing during the year.

On 22 March 2010, the Company issued 464,329,107 new shares at HK$0.20 per share by way of open offer to the qualifying shareholders.

Borrowings

At 31 March 2010, the Group's borrowings in promissory notes amounted to approximately HK$95,145,000 (2009: HK$502,567,000) and in convertible bonds amounted to approximately HK$507,807,000 (2009: HK$1,053,053,000) of which all repayable after one year. The decrease was attributed to the early redemption and cancellation on convertible bonds and promissory notes during the year under review.

Finance costs for the year amounted to approximately HK$128,904,000 (2009: HK$127,249,000) and increase of approximately HK$1,655,000 as compared with corresponding period in 2009.

Charges on Group Assets

At 31 March 2010, none of the Group's assets was pledged to any financial institution for facilities (2009: Nil).

Contingent Liabilities

At 31 March 2010, the Group had no contingent liabilities (2009: 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 Disposal of Subsidiaries

On 9 November 2009, the Company entered into a sale and purchase agreement with Mr. Sin to sell the entire issued share capital of Team Jade and the sale debts at a total consideration of HK$500,000,000. The consideration is satisfied by offsetting against the outstanding principal amount of convertible bonds. For further details, please refer to the Company's circular dated 26 April 2010. The above transactions constitute connected transaction under the Listing Rules.

Employees

At 31 March 2010, the Group has a total of 5 employees (2009: 8 employees). The decrease in the number of employees was due to optimisation of our operation. Total staff costs (including directors' emoluments) during the year amounted to approximately HK$2,907,000 (2009: HK$5,861,000).

Employees were remunerated on the basis of their performance, experience and prevailing industry practices. The Group's remuneration policies and packages were reviewed by the remuneration committee and the Board of the Company on a regular basis. As an incentive for the employees, bonuses and cash awards may also be given to employees based on individual performance evaluation. The Group has also implemented a share option scheme to reward eligible employees (including executive directors) according to their individual performance. During the year, certain eligible employees of the Group were granted options under the share option scheme of the Company. The equity-settled share-based payments amounted to approximately HK$980,000 (2009: Nil).

Prospects

Following the global financial crisis, our customers have to place to more emphasis on their existing business. The directors consider that the Macau VIP gaming business is highly sensitive to economic cycles and highly volatile. We currently are exposed to three board types of risks.

Policy changes, both in mainland China and Macau

This may have negative consequences, specifically relating to travel policy, infrastructure development, tax rates, and other regulated aspects of the gaming industry, such as commission cap. The publishing on 10 August 2009 by the Macau government in its official gazette an amendment to an executive regulation that would enable the Financial Secretary to set a cap for junket commission in Macau has resulting in an uncertainty. This is because the complexity of establishing rules that cover all manner of payment to junkets, as well as the difficulty of monitoring more than a hundred individual arrangements in the market place could make implementation difficult.

Moreover, though in late August 2009, Macau media reports suggested that the minimum interval between two successive visas has been shortened, and a person can apply for a visa once a month, this has been clarified by an official from the Division of Exit and Entry Administration Department of Public Security of Guangdong Province in mid-October that visa restriction of "one visit every two months" has never been officially relaxed, although selectively some people were able to visit Macau more than once every two months.

Nonetheless, Dr. Chui Sai On has made it clear that Macau needs to diversify away from gambling and should push forward to develop its MICE (meeting, incentive, convention and exhibition) industry or less "incentives" would be granted to gambling related activities.

The worse-than-expected tightening of policies on credit expansion and property sectors in mainland China also restricts our customers' liquidity conditions.

VIP gaming segment

The VIP gaming is a credit-based business and exposed to volatility of the economic cycle in Greater China and changes in liquidity conditions. Moreover, one of the key characteristics of the VIP gaming segment is that the majority of the business volume is easily shifted from one property to another as junkets and sub-junkets move business around the different properties depending on commercial terms offered by the casino operators.

Competition from Singapore casino openings

The opening of the two integrated resorts in the first half of year 2010 in Singapore which has a lower tax rate, or potentially, allow junkets to pay a higher commission rate in luring customers means an increase in regional competition.

As such, outlook for the future of Macau gaming sector is not that positive.

Hence, has adopted the painful move in disposing the profit streams from Joli. Also, the Group has, hence, prepared for this through

(1) adopting the prudent policy;

(2) remain focusing on improving operational efficiencies; and

(3) identifying suitable projects and/or investments that would be reasonably expected to generate profits and/or have potential for capital appreciation.

As such, material capital expenditure may be incurred in meeting its short, medium and long term growth strategy in the coming years. Though the Group expect the respective projects to secure required funding themselves using different financing options available, it would be difficult in the current market sentiment. Hence, the Board presumes that the short term financing of these potential acquisitions, if any, would basically be from internal cash on hand. The Board would not preclude possibility of justified investment that would ensure the continuous success of the Group in particular when the price is reasonable.

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 2010, 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 and the Company still looks for appropriate person to fill the vacancy as Chairman. During the year, Mr. Yao Wai Kwok, Daniel has been assuming the roles of Chief Executive Officer of the Company and the members of the board will share the responsibilities of the role of chairman jointly. 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, Mr. Lee Chan Wah, Ms. Lee Shiow Yue, Mr. Poon Wai Hoi, Percy and Mr. Tang Chi Ho, Francis 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 2010.

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 2010.

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 three 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 2010.

DIRECTORS

As at the date of this announcement, the executive director is Mr. Yao Wai Kwok, Daniel, and the independent non-executive directors are Mr. Poon Wai Hoi, Percy, Mr. Tang Chi Ho, Francis and Ms. Lee Shiow Yue.

PUBLICATION OF FINANCIAL INFORMATION

This results announcement is published on the websites of The Stock Exchange of Hong Kong Limited (www.hkexnews.com.hk) and the Company (www.dore-holdings.com.hk). The Company's annual report for 2010 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, 22 July 2010