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英皇娛樂酒店有限公司*
Emperor Entertainment Hotel Limited

(Incorporated in Bermuda with limited liability)
 (Stock Code: 296)

**ANNUAL RESULTS ANNOUNCEMENT
 FOR THE YEAR ENDED 31 MARCH 2015**

	For the year ended 31 March		Changes
	2015 HK\$'000	2014 HK\$'000	
Revenue	<u>2,034,787</u>	<u>2,265,476</u>	<u>-10.2%</u>
Gross profit	<u>1,441,758</u>	<u>1,739,003</u>	<u>-17.1%</u>
EBITDA (after non-controlling interests)	<u>634,452</u>	<u>707,019</u>	<u>-10.3%</u>
EBITDA margin (after non-controlling interests)	<u>31.2%</u>	<u>31.2%</u>	<u>Nil</u>
Profit for the year attributable to owners of the Company	<u>504,277</u>	<u>600,006</u>	<u>-16.0%</u>
Basic earnings per share	<u>HK\$0.39</u>	<u>HK\$0.46</u>	<u>-15.2%</u>
Total dividends per share	<u>HK\$0.110</u>	<u>HK\$0.135</u>	<u>-18.5%</u>

* For identification purposes only

The board of directors (the “Board” or “Directors”) of Emperor Entertainment Hotel Limited (the “Company”) is pleased to announce the audited consolidated financial statements of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 March 2015 (the “Year”) together with the comparative figures for the corresponding year in 2014 as set out below:

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME**

For the year ended 31 March 2015

	<i>Notes</i>	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Revenue	3	2,034,787	2,265,476
Cost of sales		(44,479)	(43,141)
Cost of hotel and gaming operations		(548,550)	(483,332)
Gross profit		1,441,758	1,739,003
Other income		88,283	62,885
Fair value changes of investment properties		11,800	47,000
Selling and marketing expenses		(485,724)	(586,831)
Administrative expenses		(278,381)	(256,791)
Finance costs		(19,179)	(2,798)
Profit before taxation	5	758,557	1,002,468
Taxation	6	(63,764)	(94,165)
Profit and total comprehensive income for the year		<u>694,793</u>	<u>908,303</u>
Profit and total comprehensive income for the year attributable to:			
Owners of the Company		504,277	600,006
Non-controlling interests		190,516	308,297
		<u>694,793</u>	<u>908,303</u>
Earnings per share			
Basic	8	<u>HK\$0.39</u>	<u>HK\$0.46</u>
Diluted		<u>N/A</u>	<u>HK\$0.46</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2015

	<i>Notes</i>	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Non-current assets			
Investment properties		732,000	720,200
Property, plant and equipment		1,465,881	1,511,220
Prepaid lease payments		554,981	571,561
Deposits paid for acquisition of property, plant and equipment		3,564	4,402
Goodwill		110,960	110,960
		2,867,386	2,918,343
Current assets			
Inventories, at cost		14,002	13,561
Trade and other receivables	9	381,071	368,075
Prepaid lease payments		16,580	16,580
Pledged bank deposits		2,420,870	2,414,396
Short-term bank deposit		–	15,066
Bank balances and cash		674,036	410,329
		3,506,559	3,238,007
Current liabilities			
Trade and other payables	10	211,587	189,682
Amounts due to fellow subsidiaries		5,283	4,715
Amounts due to non-controlling interests of a subsidiary		150,000	186,000
Taxation payable		431,189	372,889
Bank and other borrowings – due within one year		38,271	906,887
		836,330	1,660,173
Net current assets		2,670,229	1,577,834
Total assets less current liabilities		5,537,615	4,496,177
Non-current liabilities			
Bank and other borrowings – due after one year		507,600	–
Deferred taxation		115,684	113,821
		623,284	113,821
		4,914,331	4,382,356
Capital and reserves			
Share capital		130	130
Reserves		3,301,311	2,959,852
Equity attributable to owners of the Company		3,301,441	2,959,982
Non-controlling interests		1,612,890	1,422,374
		4,914,331	4,382,356

Notes:

1. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). In addition, the consolidated financial statements included applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis, except for investment properties which are measured at fair values. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Except as described in note 2, the accounting policies adopted for preparation of the consolidated financial statements are consistent with those followed in the preparation of the Company’s consolidated financial statements for the year ended 31 March 2014.

2. APPLICATION OF NEW AND REVISED HKFRSs

The Group has applied for the first time in the current year the following amendments to HKFRSs and Hong Kong Accounting Standards (“HKASs”) and a new interpretation (hereinafter collectively referred to as the “new and revised HKFRSs”) issued by the HKICPA.

Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Investment entities
Amendments to HKAS 32	Offsetting financial assets and financial liabilities
Amendments to HKAS 36	Recoverable amount disclosures for non-financial assets
Amendments to HKAS 39	Novation of derivatives and continuation of hedge accounting
HK(IFRIC*) – INT 21	Levies

* IFRIC represents the International Financial Reporting Interpretations Committee.

The application of the above new and revised HKFRSs in the current year has had no material impact on the Group’s financial performance and positions for the current and prior years and/or on the disclosures set out in the consolidated financial statements.

2. APPLICATION OF NEW AND REVISED HKFRSs (Continued)

New and revised HKFRSs issued but not yet effective

The Group has not early applied the following new or revised HKFRSs that have been issued but are not yet effective.

HKFRS 9	Financial instruments ¹
HKFRS 15	Revenue from contracts with customers ²
Amendments to HKFRSs	Annual improvements to HKFRSs 2010-2012 cycle ⁵
Amendments to HKFRSs	Annual improvements to HKFRSs 2011-2013 cycle ³
Amendments to HKFRSs	Annual improvements to HKFRSs 2012-2014 cycle ⁴
Amendments to HKFRS 10 and HKAS 28	Sale or contribution of assets between an investor and its associate or joint venture ⁴
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment entities: Applying the consolidation exception ⁴
Amendments to HKFRS 11	Accounting for acquisitions of interests in joint operations ⁴
Amendments to HKAS 1	Disclosure initiative ⁴
Amendments to HKAS 16 and HKAS 38	Clarification of acceptable methods of depreciation and amortisation ⁴
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer plants ⁴
Amendments to HKAS 19	Defined benefit plans: Employee contributions ³
Amendments to HKAS 27	Equity method in separate financial statements ⁴

¹ Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted.

² Effect for annual periods beginning on or after 1 January 2017, with early application permitted.

³ Effective for annual periods beginning on or after 1 July 2014, with earlier application permitted.

⁴ Effective for annual periods beginning on or after 1 January 2016, with earlier application permitted.

⁵ Effective for annual periods beginning on or after 1 July 2014, with limited exceptions. Earlier application is permitted.

HKFRS 9 “Financial instruments”

HKFRS 9 issued in 2009 introduced new requirements for the classification and measurement of financial assets. HKFRS 9 was subsequently amended in 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and further amended in 2013 to include the new requirements for general hedge accounting. Another revised version of HKFRS 9 was issued in 2014 mainly to include (a) impairment requirements for financial assets and (b) limited amendments to the classification and measurement requirements by introducing a “fair value through other comprehensive income” (“FVTOCI”) measurement category for certain simple debt instruments.

2. APPLICATION OF NEW AND REVISED HKFRSs (Continued)

HKFRS 9 “Financial instruments” (Continued)

Key requirements of HKFRS 9 are described below:

- All recognised financial assets that are within the scope of HKAS 39 “Financial instruments: Recognition and measurement” are subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at FVTOCI. All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.
- With regard to the measurement of financial liabilities designated as at fair value through profit or loss, HKFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability’s credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value of financial liabilities attributable to changes in the financial liabilities’ credit risk are not subsequently reclassified to profit or loss. Under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss was presented in profit or loss.
- In relation to the impairment of financial assets, HKFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under HKAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.
- The new general hedge accounting requirements retain the three types of hedge accounting. However, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an ‘economic relationship’. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity’s risk management activities have also been introduced.

The Directors anticipate that the application of HKFRS 9 in the future may have a potential impact on the amounts reported in respect of the Group’s financial assets and financial liabilities. However, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

2. APPLICATION OF NEW AND REVISED HKFRSs (Continued)

HKFRS 15 “Revenue from contracts with customers”

In July 2014, HKFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. HKFRS 15 supersedes the revenue recognition guidance including HKAS 18 “Revenue”, HKAS 11 “Construction contracts” and the related interpretations when it becomes effective.

The core principle of HKFRS 15 is that the Group should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. Specifically, the standard has a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under HKFRS 15, the Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when “control” of the goods or services underlying the particular performance obligation is transferred to the customer. Prescriptive guidance has been added in HKFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by HKFRS 15.

The Directors anticipate that the application of HKFRS 15 in the future may have a potential impact on the amounts reported and disclosures made in the Group’s consolidated financial statements. However, it is not practicable to provide a reasonable estimate of the effect of HKFRS 15 until the Group performs a detailed review.

Other than disclosed above, the Directors anticipate that the application of the other new and revised HKFRSs will have no material impact on the consolidated financial statements.

3. REVENUE

An analysis of the Group’s revenue is as follows:

	2015	2014
	<i>HK\$’000</i>	<i>HK\$’000</i>
Service income from gaming operation in mass market hall	1,194,107	1,569,317
Service income from gaming operation in VIP room	504,672	451,512
Service income from gaming operation in slot machine hall	32,291	29,277
Hotel room income	128,795	54,801
Food and beverage sales	129,723	122,350
Rental income from investment properties	29,947	24,515
Others	15,252	13,704
	<u>2,034,787</u>	<u>2,265,476</u>

4. SEGMENT INFORMATION

The executive directors of the Company (the “Executive Directors”) have been identified as the chief operating decision makers (“CODM”). The Executive Directors review the Group’s internal reporting in order to assess performance and allocate resources.

For gaming operation, the Executive Directors regularly analyse gaming revenue in terms of service income from mass market hall, VIP room and slot machine hall. No operating results or discrete financial information is presented to the Executive Directors in relation to the above analyses. The Executive Directors review the revenues and operating results of gaming operation as a whole. The Executive Directors have identified the operating and reportable segments under HKFRS 8 as gaming operation and hotel operation.

The segment information reported externally was analysed on the basis of their types of services supplied by the Group’s operating divisions which is consistent with the internal information that is regularly reviewed by the CODM for the purposes of resource allocation and assessment of performance. This is also the basis of organisation in the Group, whereby the management has chosen to organise the Group around different services provided by the Group. The principal activities of the operating and reportable segments are as follows:

- | | |
|------------------|---|
| Gaming operation | – Mass market hall, VIP room and slot machine hall operations and provision of gaming-related marketing and public relation services in the casino of the Grand Emperor Hotel in Macau |
| Hotel operation | – Hotel operation in the Grand Emperor Hotel and the Best Western Hotel Taipa (to be renamed as Inn Hotel Macau) in Macau including property investment income from investment properties in these hotels |

The Executive Directors assess the performance of individual operating and reportable segments based on a measure of adjusted earnings before interest, tax, depreciation and amortisation, exchange loss at corporate level, central administration costs and fair value changes of investment properties (the “Adjusted EBITDA”).

Inter-segment revenue is charged at a price mutually agreed by both parties.

4. **SEGMENT INFORMATION** (Continued)

Information regarding the above segments is reported below:

Segment revenues and results
For the year ended 31 March 2015

	Gaming operation <i>HK\$'000</i>	Hotel operation <i>HK\$'000</i>	Total <i>HK\$'000</i>	Elimination <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
SEGMENT REVENUE					
External revenue	1,731,070	303,717	2,034,787	-	2,034,787
Inter-segment revenue	-	2,821	2,821	(2,821)	-
Total	<u>1,731,070</u>	<u>306,538</u>	<u>2,037,608</u>	<u>(2,821)</u>	<u>2,034,787</u>
Segment result based on the Adjusted EBITDA	<u>788,071</u>	<u>172,607</u>	<u>960,678</u>		960,678
Bank interest income					77,073
Depreciation of property, plant and equipment					(145,693)
Exchange loss at corporate level					(22,870)
Release of prepaid lease payments					(16,580)
Fair value changes of investment properties					11,800
Finance costs					(19,179)
Unallocated corporate expenses					<u>(86,672)</u>
Profit before taxation					<u>758,557</u>

For the year ended 31 March 2014

	Gaming operation <i>HK\$'000</i>	Hotel operation <i>HK\$'000</i>	Total <i>HK\$'000</i>	Elimination <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
SEGMENT REVENUE					
External revenue	2,050,106	215,370	2,265,476	-	2,265,476
Inter-segment revenue	-	2,821	2,821	(2,821)	-
Total	<u>2,050,106</u>	<u>218,191</u>	<u>2,268,297</u>	<u>(2,821)</u>	<u>2,265,476</u>
Segment result based on the Adjusted EBITDA	<u>1,025,072</u>	<u>111,556</u>	<u>1,136,628</u>		1,136,628
Bank interest income					61,950
Depreciation of property, plant and equipment					(127,097)
Exchange loss at corporate level					(30,674)
Release of prepaid lease payments					(6,746)
Fair value changes of investment properties					47,000
Finance costs					(2,798)
Unallocated corporate expenses					<u>(75,795)</u>
Profit before taxation					<u>1,002,468</u>

4. SEGMENT INFORMATION (Continued)

No analysis of the Group's assets and liabilities by operating and reportable segments is disclosed as it is not regularly provided to the Executive Directors for review.

Other than the segment information disclosed in above, there was no other information reviewed by the CODM for the years ended 31 March 2015 and 31 March 2014.

Geographical information

The Group's revenue was derived principally in Macau.

The non-current assets are all located in Macau.

Information about major customer

During the Year, revenue derived from one (2014: one) customer which contributed over 10% of the Group's revenue amounted to HK\$1,735,421,000 (2014: HK\$2,052,264,000). The revenue related to the gaming operation and the hotel operation.

5. PROFIT BEFORE TAXATION

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Profit before taxation has been arrived at after charging:		
Allowance for doubtful debts, net	–	4,306
Commission expenses in gaming operations (included in selling and marketing expenses)	412,297	523,618
Depreciation of property, plant and equipment	145,693	127,097
Exchange loss	22,870	30,674
Loss on disposal of property, plant and equipment	2,986	2,197
Release of prepaid lease payments	16,580	6,746
and after crediting:		
Bank interest income	77,073	61,950
Reversal of allowance for doubtful debts, net	2,612	–

6. TAXATION

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Current tax:		
Macau Complementary Income Tax	83,747	110,750
Reversal of tax provision in prior years:		
Macau Complementary Income Tax	<u>(21,846)</u>	<u>(22,339)</u>
	61,901	88,411
Deferred taxation:		
Current year	<u>1,863</u>	<u>5,754</u>
	<u>63,764</u>	<u>94,165</u>

The Macau Complementary Income Tax (“CT”) is calculated at the applicable rate of 12% of the estimated assessable profits for both years.

Pursuant to the CT law, the CT assessment on the estimated assessable profit in a year of assessment will lapse in five consecutive years after that year of assessment. At the end of the reporting period, the Directors reassessed the adequacy of the CT provision and determined to reverse part of the Group’s relevant CT provision of HK\$21,846,000 for the 2009 year of assessment (2014: HK\$22,339,000 for the 2008 year of assessment) accordingly.

No provision for Hong Kong Profits Tax has been made in both years as the estimated assessable profit is wholly absorbed by tax losses brought forward.

7. DIVIDENDS

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Dividends recognised as distribution during the year:		
Final paid in respect of 2014: HK\$0.075 per share (2014: HK\$0.072 per share in respect of 2013)	97,691	93,063
Interim paid in respect of 2015: HK\$0.05 per share (2014: HK\$0.06 per share in respect of 2014)	<u>65,127</u>	<u>78,108</u>
	<u>162,818</u>	<u>171,171</u>

The Board proposed the payment of a final dividend of HK\$0.06 per share (2014: HK\$0.075 per share) amounting to approximately HK\$78,153,000 in total for the year ended 31 March 2015 which is subject to approval by the shareholders of the Company in the forthcoming annual general meeting.

8. EARNINGS PER SHARE

The calculations of the basic and diluted earnings per share attributable to the owners of the Company are based on the following data:

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Earnings		
Earnings (profit for the year attributable to the owners of the Company) for the purpose of basic and diluted earnings per share	<u>504,277</u>	<u>600,006</u>
	2015	2014
Number of shares		
Weighted average number of ordinary shares in issue for the purpose of basic earnings per share	1,302,545,983	1,297,200,777
Effect of dilutive potential ordinary shares:		
Share options	<u>N/A</u>	<u>1,099,428</u>
Weighted average number of ordinary shares for the purpose of diluted earnings per share	<u>N/A</u>	<u>1,298,300,205</u>

Diluted earnings per share is not presented in the current year as the Company does not have any dilutive potential ordinary share for the Year.

9. TRADE AND OTHER RECEIVABLES

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Trade receivables	233,798	275,694
Less: Allowance for doubtful debts	<u>(42,186)</u>	<u>(44,798)</u>
	191,612	230,896
Chips on hand	135,386	87,239
Other receivables and prepayments	<u>54,073</u>	<u>49,940</u>
	<u>381,071</u>	<u>368,075</u>

9. TRADE AND OTHER RECEIVABLES (Continued)

The Group normally allows credit periods of up to 60 days to its trade customers, except for certain credit worthy customers with long term relationship and stable repayment pattern, where the credit periods are extended to a longer period. An ageing analysis of the Group's trade receivables (net of allowances) based on the date of credit granted or the invoice date at the end of the reporting period is set out below:

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
0-30 days	170,541	211,191
31-60 days	5,881	4,893
61-90 days	834	131
91-180 days	856	51
Over 180 days	13,500	14,630
	<u>191,612</u>	<u>230,896</u>

Chips on hand represent chips issued by a gaming concessionaire in Macau which can be exchanged into their cash amounts.

10. TRADE AND OTHER PAYABLES

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Trade payables	18,974	14,752
Construction payables and accruals	18,517	21,967
Other payables and accruals	156,096	137,963
Short-term advance	18,000	15,000
	<u>211,587</u>	<u>189,682</u>

An ageing analysis of the Group's trade payables based on the invoice date at the end of the reporting period is set out below:

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
0-30 days	8,326	7,129
31-60 days	8,459	6,550
61-90 days	1,999	504
91-180 days	181	569
Over 180 days	9	-
	<u>18,974</u>	<u>14,752</u>

MANAGEMENT DISCUSSION AND ANALYSIS

The Group principally engages in provision of entertainment and hospitality services in Macau.

MARKET REVIEW

During the Year, Macau's gross gaming revenue plunged 16.8% year-on-year, to MOP315,256 million, due to the suppressed visitor spending amid a cooling Chinese economy and an ongoing austerity initiative. In March 2015, the last month of the Year, Macau's gaming revenue continued its double-digit decline for the seventh consecutive month. The worsening trend was a result of tighter visa restrictions, new measures on controlling cross-broader capital flows, implementation of a smoking ban on mass market gaming floors, and the protest in Hong Kong.

FINANCIAL REVIEW

Overall Review

Given a challenging market environment overshadowed by economic and regulatory concerns, the Group reported revenue of HK\$2,034.8 million (2014: HK\$2,265.5 million) during the Year. The Group's earnings before interest, tax, depreciation and amortisation ("EBITDA") and after non-controlling interests was HK\$634.5 million (2014: HK\$707.0 million). The EBITDA margin after non-controlling interests was 31.2% (2014: 31.2%). Profit for the Year attributable to the owners of the Company was HK\$504.3 million (2014: HK\$600.0 million). Basic earnings per share was HK\$0.39 (2014: HK\$0.46). The Board recommended the payment of a final dividend of HK\$0.06 (2014: HK\$0.075) per share. Together with the interim dividend of HK\$0.05 (2014: HK\$0.06) per share, the total dividends per share for the Year were HK\$0.11 (2014: HK\$0.135).

Capital Structure, Liquidity and Financial Resources

There was no change in capital structure during the Year. The Group continued to maintain a strong cash position and a healthy financial position, supported by its continuous and stable cash inflows. The Group funded its operations and capital expenditure by cash generated internally from its operations.

As at 31 March 2015, aggregate of bank balances and cash, short-term bank deposit and pledged bank deposits of the Group amounted to HK\$3,094.9 million (2014: HK\$2,839.8 million), which are mainly denominated in Hong Kong dollars, Macau Patacas and Renminbi.

For the commercial benefit of the Group, the Group exchanged excessive cash in Hong Kong dollars into offshore traded Renminbi ("CNH") and deposited them with banks to earn higher interest income. To sustain its liquidity, the Group pledged certain CNH deposits in favour of several banks as security for obtaining additional banking facilities to the Group. The Directors closely monitor exposure to foreign exchange risk as well as interest rate risk, and if necessary will take appropriate actions to mitigate these exposures.

Other than as described above, the Group did not experience any significant exposure to foreign exchange rate fluctuations during the Year.

The Group's current assets and current liabilities as at 31 March 2015 were HK\$3,506.6 million and HK\$836.3 million (2014: HK\$3,238.0 million and HK\$1,660.2 million), respectively. Advances from non-controlling interests of a subsidiary of the Company amounted to HK\$150.0 million (2014: HK\$186.0 million), which is denominated in Hong Kong dollars, unsecured, interest-free and repayable at the discretion of non-controlling interests and availability of surplus fund of the subsidiary. Bank borrowings of HK\$545.9 million (2014: HK\$591.9 million), denominated in Hong Kong dollars, is secured and interest bearing at prevailing market rates and has a fixed repayment term. During the Year, the Group fully repaid other loans of HK\$315.0 million and partially repaid the advances from non-controlling interests and bank borrowings in aggregate of HK\$82.0 million. As a result, the gearing ratio of the Group (expressed as a percentage of total borrowings over total equity) decreased to 14.2% (2014: 24.9%) as of 31 March 2015.

Pledge of Assets

As at 31 March 2015, assets with carrying values of approximately HK\$4.9 billion (2014: HK\$3.9 billion) were pledged to several banks as security for banking facilities, for a total of approximately HK\$3.0 billion (2014: HK\$2.4 billion) granted to the Group. In addition, the Group has a bank deposit of HK\$0.3 million (2014: HK\$0.3 million) pledged to a bank as security for the use of ferry ticket equipment provided by a third party to the Group.

BUSINESS REVIEW

The Group currently operates two hotels, Grand Emperor Hotel ("GEH") and Inn Hotel Macau ("IHM"; to be renamed from Best Western Hotel Taipa), in Macau.

GEH, the Group's flagship project, on the Peninsula, is an award-winning 26-storey gaming hotel with a total gross floor area of 655,000 square feet and 307 guest rooms. It has six gaming floors, covering over 130,000 square feet, and offers slot machines as well as gaming tables in the gaming concourse and the VIP room. The Group strives to pursue an effective customer segmentation strategy, with a strong focus on the premium mass market. The Group's gaming revenue inevitably declined amid unfavourable market conditions during the Year.

IHM is a 17-storey hotel with total gross floor area of approximately 209,000 square feet, and 285 guest rooms. During the Year, refurbishment of IHM was carried out in phases, with upgrading of room furnishings, exterior walls and public areas, to create a more comfortable and contemporary experience for guests. The refurbishment is set to be completed during 2015. Through extending coverage from the Peninsula to Taipa, the Group can fully capture the potential of Macau's hospitality market.

Gaming Revenue

The Group's casino in GEH is operated under the gaming licence held by Sociedade de Jogos de Macau, S.A. During the Year, the Group's gaming revenue was HK\$1,731.1 million (2014: HK\$2,050.1 million), accounting for 85.1% of the Group's total revenue.

Gaming Concourse

The gross win in the gaming concourse fell to HK\$2,149.3 million (2014: HK\$2,831.5 million). Revenue from the gaming concourse was HK\$1,194.1 million (2014: HK\$1,569.3 million). The segment accounted for 58.7% of the Group's total revenue, compared with 69.3% in the previous year. There were 67 tables (2014: 67 tables) in the gaming concourse. Average win per table per day was HK\$87,000 (2014: HK\$115,000).

VIP Room

The Group self-managed a VIP room with 10 tables (2014: 10 tables), with the rolling amount of HK\$25.4 billion (2014: HK\$26.1 billion). Revenue from VIP room grew by 11.8% to HK\$504.7 million (2014: HK\$451.5 million), accounting for 24.8% of the Group's total revenue. Average win per table per day increased to HK\$243,000 (2014: HK\$218,000).

Slot Machines

The segment recorded a gross win of HK\$72.6 million (2014: HK\$66.5 million), with a capacity of 200 slot seats (2014: 200 slot seats). Segmental revenue was HK\$32.3 million (2014: HK\$29.3 million), accounting for 1.6% of the Group's total revenue. Average win per seat per day was HK\$1,030 (2014: HK\$950).

Hotel Revenue

This was the first financial year that the income from IHM was fully reflected in the Group's hotel revenue, following its acquisition in March 2014. As a result, the hotel revenue increased significantly by 41.0% to HK\$303.7 million (2014: HK\$215.4 million), accounting for 14.9% of the total revenue.

As of 31 March 2015, GEH and IHM provided 307 and 285 guest rooms, respectively. During the Year, the average room rates of GEH and IHM were HK\$1,258 per night (2014: HK\$1,304 per night) and HK\$620 per night (2014: HK\$559 per night), with occupancy rates of 88% (2014: 88%) and 93% (2014: 98%), respectively. Combined room revenue was HK\$128.8 million (2014: HK\$54.8 million). Combined revenue from food and beverage was HK\$129.7 million (2014: HK\$122.4 million), while the aggregate amount of rental and other revenue was HK\$45.2 million (2014: HK\$38.2 million).

OUTLOOK

The core strength of the Group is built on its capability to deliver consistently high quality customer services and promote customer loyalty through delivery of unparalleled entertainment and hospitality experiences. In the midst of a market correction, the Group endeavours to enhance its competitiveness, improve operational efficiency and promptly respond to the challenging conditions, and ultimately, ensure it reaps the greatest potential as and when the market momentum revives. In the long-term, the Group remains positive regarding the prospects of Macau as a premier global gaming and entertainment destination, supported by the city's solid fundamentals including close proximity to the Mainland, continuous infrastructure improvements and attractiveness of cross-cultural experiences.

Despite the tough market environment, the Group continues to seek expansion opportunities in the city to pursue long-term growth. As demonstrated by the acquisition of IHM, the Group is focused on building and adding value of its assets and maximising returns to shareholders. Upon completion of its refurbishment work in 2015, IHM will present an entirely revitalised image and provide the Group with incremental revenue gains and steady returns on capital.

EMPLOYEES AND REMUNERATION POLICY

As at 31 March 2015, the Group's number of employee was 1,244 (2014: 1,240). Total staff costs including the Directors' remuneration and the other staff costs for the Year were HK\$453.3 million (2014: HK\$410.3 million). Employees' remuneration was determined in accordance with individual's responsibility, competence and skills, experience and performance as well as market pay level. Staff benefits include medical and life insurance, retirement benefits and other competitive fringe benefits.

To provide incentives or rewards to the staff, the Company adopted a share option scheme on 15 August 2013 (the "Share Option Scheme") in view of the lapse of the old share option scheme adopted on 2 September 2002. Particulars of the Share Option Scheme will be set out in the section headed "Share Options" of the annual report of the Company.

FINAL DIVIDEND

The Board recommended the payment of a final dividend of HK\$0.06 (2014: HK\$0.075) per share ("Final Dividend") for the Year, amounting to approximately HK\$78,153,000 (2014: HK\$97,691,000). The Final Dividend, if being approved at the forthcoming annual general meeting of the Company ("AGM"), will be paid on 17 September 2015 (Thursday) to shareholders whose names appear on the register of members of the Company on 26 August 2015 (Wednesday).

CLOSURE OF REGISTER OF MEMBERS

For ascertaining shareholders' right to attend and vote at AGM

Latest time to lodge transfers	4:30 p.m. on 14 August 2015 (Friday)
Book close dates	17 and 18 August 2015 (Monday and Tuesday)
Record date	18 August 2015 (Tuesday)
AGM	18 August 2015 (Tuesday)

For ascertaining shareholders' entitlement to the proposed Final Dividend

Latest time to lodge transfers	4:30 p.m. on 24 August 2015 (Monday)
Book close dates	25 and 26 August 2015 (Tuesday and Wednesday)
Record date	26 August 2015 (Wednesday)
Final Dividend payment date	17 September 2015 (Thursday)

In order to qualify for the right to attend and vote at the AGM and for the proposed Final Dividend, all relevant share certificates and properly completed transfer forms must be lodged with the Company's Hong Kong Branch Share Registrar, Tricor Secretaries Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration before the above latest time to lodge transfers.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the Year as set out in the preliminary announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements for the Year. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

REVIEW OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR

The Audit Committee of the Company, which comprises the three independent non-executive directors of the Company, had reviewed the audited consolidated financial statements for the Year in conjunction with the Group's auditor, Messrs. Deloitte Touche Tohmatsu. Based on this review and discussion with the management of the Company, the Audit Committee was satisfied that the audited consolidated financial statements were prepared in accordance with applicable accounting standards and fairly presented the Group's financial position as at 31 March 2015 and annual results for the Year.

CORPORATE GOVERNANCE

Corporate Governance Code

The Company has complied throughout the Year with all the provisions of the Corporate Governance Code as set out in Appendix 14 of the Listing Rules.

Model Code for Securities Transactions

The Company had adopted the Model Code for Securities Transactions by Directors of Listed Issuers (“Model Code”) as set out in Appendix 10 of the Listing Rules as its own code of conduct regarding Directors’ securities transactions. Having made specific enquiry to the Directors, all of them confirmed that they have complied with the required standard of dealings as set out in the Model Code throughout the Year.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities during the Year.

PUBLICATION OF THE ANNUAL RESULTS AND ANNUAL REPORT

The annual results announcement is published on the websites of the Stock Exchange (<http://www.hkex.com.hk>) and the Company (<http://www.emp296.com>). The annual report will be dispatched to the shareholders of the Company and will be available on the websites of the Stock Exchange and the Company in due course.

By order of the Board
Emperor Entertainment Hotel Limited
Luk Siu Man, Semon
Chairperson

Hong Kong, 24 June 2015

As at the date hereof, the Board comprises:

Non-executive Director:

Ms. Luk Siu Man, Semon

Executive Directors:

Mr. Wong Chi Fai

Ms. Fan Man Seung, Vanessa

Independent Non-executive Directors:

Ms. Chan Wiling, Yvonne

Ms. Wan Choi Ha

Mr. Yu King Tin