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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 2014**

FINANCIAL HIGHLIGHTS			
	For the year ended 31 March		
	2014	2013	Changes
	<i>HK\$'000</i>	<i>HK\$'000</i>	
Revenue	<u>2,265,476</u>	<u>2,028,293</u>	<u>+11.7%</u>
Gross profit	<u>1,739,003</u>	<u>1,533,840</u>	<u>+13.4%</u>
EBITDA (before non-controlling interests)	<u>1,060,833</u>	<u>943,539</u>	<u>+12.4%</u>
EBITDA margin (before non-controlling interests)	<u>46.8%</u>	<u>46.5%</u>	<u>+0.3% pts</u>
Profit for the year attributable to owners of the Company	<u>600,006</u>	<u>548,625</u>	<u>+9.4%</u>
Earnings per share			
Basic	<u>HK\$0.46</u>	<u>HK\$0.42</u>	<u>+9.5%</u>
Diluted	<u>HK\$0.46</u>	<u>HK\$0.42</u>	<u>+9.5%</u>
Total dividend per share	<u>HK\$0.135</u>	<u>HK\$0.125</u>	<u>+8.0%</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 2014 (the “Year”) together with the comparative figures for the corresponding year in 2013 as set out below:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2014

	<i>Notes</i>	2014 HK\$'000	2013 <i>HK\$'000</i>
Revenue	3	2,265,476	2,028,293
Cost of sales		(43,141)	(35,568)
Cost of hotel and gaming operations		(483,332)	(458,885)
Gross profit		1,739,003	1,533,840
Other income		62,885	26,211
Fair value changes in investment properties		47,000	59,000
Selling and marketing expenses		(586,831)	(507,557)
Administrative expenses		(256,791)	(203,547)
Finance costs		(2,798)	(11,385)
Profit before taxation	5	1,002,468	896,562
Taxation	6	(94,165)	(83,692)
Profit and total comprehensive income for the year		<u>908,303</u>	<u>812,870</u>
Profit and total comprehensive income for the year attributable to:			
Owners of the Company		600,006	548,625
Non-controlling interests		308,297	264,245
		<u>908,303</u>	<u>812,870</u>
Earnings per share	8		
Basic		<u>HK\$0.46</u>	<u>HK\$0.42</u>
Diluted		<u>HK\$0.46</u>	<u>HK\$0.42</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2014

	<i>Notes</i>	2014 HK\$'000	2013 HK\$'000
Non-current assets			
Investment properties		720,200	450,000
Property, plant and equipment		1,511,220	1,255,905
Prepaid lease payments		571,561	226,141
Deposits paid for acquisition of property, plant and equipment		4,402	2,026
Goodwill		110,960	110,960
		2,918,343	2,045,032
Current assets			
Inventories, at cost		13,561	13,450
Trade and other receivables	9	368,075	327,741
Prepaid lease payments		16,580	6,446
Pledged bank deposits		2,414,396	300
Short-term bank deposits		15,066	22,244
Bank balances and cash		410,329	2,006,252
		3,238,007	2,376,433
Current liabilities			
Trade and other payables	10	189,682	180,214
Amounts due to fellow subsidiaries		4,715	3,769
Amounts due to non-controlling interests of a subsidiary		186,000	226,000
Taxation payable		372,889	280,191
Bank and other borrowings		906,887	–
		1,660,173	690,174
Net current assets		1,577,834	1,686,259
Total assets less current liabilities		4,496,177	3,731,291
Non-current liability			
Deferred taxation		113,821	108,067
		4,382,356	3,623,224
Capital and reserves			
Share capital		130	129
Reserves		2,959,852	2,509,018
Equity attributable to owners of the Company		2,959,982	2,509,147
Non-controlling interests		1,422,374	1,114,077
		4,382,356	3,623,224

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 predecessor Hong Kong Companies Ordinance, Cap. 32.

The consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments which were adjusted to fair value at initial recognition and 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.

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 2013.

2. APPLICATION OF NEW AND REVISED HKFRSs

The Group has applied the following new and revised HKFRSs issued by the HKICPA for the first time in the Year:

Amendments to HKFRSs	Annual improvements to HKFRSs 2009 - 2011 cycle
Amendments to HKFRS 7	Disclosures – Offsetting financial assets and financial liabilities
Amendments to HKFRS 10, HKFRS 11 and HKFRS 12	Consolidated financial statements, joint arrangements and disclosure of interests in other entities: Transition guidance
HKFRS 10	Consolidated financial statements
HKFRS 11	Joint arrangements
HKFRS 12	Disclosure of interests in other entities
HKFRS 13	Fair value measurement
HKAS 19 (as revised in 2011)	Employee benefits
HKAS 27 (as revised in 2011)	Separate financial statements
HKAS 28 (as revised in 2011)	Investments in associates and joint ventures
Amendments to HKAS 1	Presentation of items of other comprehensive income
HK(IFRIC*) – INT 20	Stripping costs in the production phase of a surface mine

* IFRIC represents the International Financial Reporting Interpretations Committee.

Except as described below, the application of these new and revised HKFRSs in the 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 these consolidated financial statements.

New and revised Standards on consolidation, joint arrangements, associates and disclosures

In the Year, the Group has applied for the first time the package of five standards on consolidation, joint arrangements, associates and disclosures comprising HKFRS 10 “Consolidated financial statements”, HKFRS 11 “Joint arrangements”, HKFRS 12 “Disclosure of interests in other entities”, HKAS 27 (as revised in 2011) “Separate financial statements” and HKAS 28 (as revised in 2011)

“Investments in associates and joint ventures”, together with the amendments to HKFRS 10, HKFRS 11 and HKFRS 12 regarding transitional guidance. HKAS 27 (as revised in 2011) is not applicable to the Group as it deals only with separate financial statements.

The impact of the application of these standards is set out below.

Impact of the application of HKFRS 10

HKFRS 10 replaces the parts of HKAS 27 “Consolidated and separate financial statements” that deal with consolidated financial statements and HK(SIC) – INT 12 “Consolidation – Special purpose entities”. HKFRS 10 changes the definition of control such that an investor has control over an investee when (a) it has power over the investee, (b) it is exposed, or has rights, to variable returns from its involvement with the investee and (c) has the ability to use its power to affect its returns.

All three of these criteria must be met for an investor to have control over an investee. Previously, control was defined as the power to govern the financial and operation policies of an entity so as to obtain benefits from its activities. Additional guidance has been included in HKFRS 10 to explain when an investor has control over an investee.

The application of HKFRS 10 has no material impact on the amounts reported in the consolidated financial statements.

Impact of the application of HKFRS 12

HKFRS 12 is a new disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the application of HKFRS 12 has resulted in more extensive disclosures in the consolidated financial statements. Other than the additional disclosure required by HKFRS 12, the application of HKFRS 12 has no material impact on the amounts reported in the consolidated financial statements.

HKFRS 13 “Fair value measurement”

The Group has applied HKFRS 13 for the first time in the Year. HKFRS 13 establishes a single source of guidance for, and disclosures about, fair value measurement. The scope of HKFRS 13 is broad: the fair value measurement requirements of HKFRS 13 apply to both financial instrument items and non-financial instrument items for which other HKFRSs require or permit fair value measurements and disclosures about fair value measurements, except for share-based payment transactions that are within the scope of HKFRS 2 “Share-based payment”, leasing transaction that are within the scope of HKAS 17 “Leases”, and measurements that have some similarities to fair value but are not fair value (e.g. net realisable value for the purposes of measuring inventories or value in use for impairment assessment purposes).

HKFRS 13 defines the fair value of an asset as the price that would be received to sell an asset (or paid to transfer a liability, in the case of determining the fair value of a liability) in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions. Fair value under HKFRS 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique. Also, HKFRS 13 includes extensive disclosure requirements.

HKFRS 13 requires prospective application. In accordance with the transitional provisions of HKFRS 13, the Group has not made any new disclosures required by HKFRS 13 for the 2013 comparative period. Other than the additional disclosures, the application of HKFRS 13 has not had any material impact on the amounts recognised in the consolidated financial statements.

Amendments to HKAS 1 “Presentation of items of other comprehensive income”

The Group has applied the amendments to HKAS 1 “Presentation of items of other comprehensive income”. Upon the adoption of the amendments to HKAS 1, the Group’s ‘consolidated statement of comprehensive income’ is renamed as the ‘consolidated statement of profit or loss and other comprehensive income’. Furthermore, the amendments to HKAS 1 require additional disclosures to be made in the other comprehensive income section such that items of other comprehensive income are grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis – the amendments do not change the option to present items of other comprehensive income either before tax or net of tax. The amendments have been applied retrospectively. Other than the change in name of the ‘consolidated statement of comprehensive income’ to the ‘consolidated statement of profit or loss and other comprehensive income’, the application of the amendments to HKAS 1 does not result in any impact on profit and loss, other comprehensive income and total comprehensive income.

New and revised HKFRSs issued but not yet effective

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

Amendments to HKFRSs	Annual improvements to HKFRSs 2010 – 2012 cycle ⁴
Amendments to HKFRSs	Annual improvements to HKFRSs 2011 – 2013 cycle ²
Amendments to HKFRS 9 and HKFRS 7	Mandatory effective date of HKFRS 9 and transition disclosures ³
Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Investment entities ¹
Amendments to HKAS 11	Accounting for acquisitions of interests in joint operations ⁶
Amendments to HKAS 16 and HKAS 38	Clarification of acceptable methods of depreciation and amortisation ⁶
Amendments to HKAS 19	Defined benefit plans: Employee contributions ²
Amendments to HKAS 32	Offsetting financial assets and financial liabilities ¹
Amendments to HKAS 36	Recoverable amount disclosures for non-financial assets ¹
Amendments to HKAS 39	Novation of derivatives and continuation of hedge accounting ¹
HKFRS 9	Financial instruments ³
HKFRS 14	Regulatory deferral accounts ⁵
HK(IFRIC) – INT 21	Levies ¹

¹ Effective for annual periods beginning on or after 1 January 2014.

² Effective for annual periods beginning on or after 1 July 2014.

³ Available for application – the mandatory effective date will be determined when the outstanding phases of HKFRS 9 are finalised.

⁴ Effective for annual periods beginning on or after 1 July 2014, with limited exceptions.

⁵ Effective for first annual HKFRS financial statements beginning on or after 1 January 2016.

⁶ Effective for annual periods beginning on or after 1 January 2016.

The Directors anticipate that the application of these new and revised HKFRSs will have no material impact on the results and financial position of the Group.

3. REVENUE

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

	2014 <i>HK\$'000</i>	2013 <i>HK\$'000</i>
Service income from gaming operation in mass market hall	1,569,317	1,381,315
Service income from gaming operation in VIP room	451,512	428,006
Service income from gaming operation in slot machine hall	29,277	45,970
Hotel room income	54,801	40,308
Food and beverage sales	122,350	97,393
Rental income from investment properties	24,515	30,372
Others	13,704	4,929
	<u>2,265,476</u>	<u>2,028,293</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 differences in services. 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 in Macau including hotel-related service income and rental income from investment properties

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 in investment properties (the “Adjusted EBITDA”).

Inter-segment revenue is charged at prevailing market rate.

Information regarding the above segments is reported below:

Segment revenues and results

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 in investment properties					47,000
Finance costs					(2,798)
Unallocated corporate expenses					(75,795)
Profit before taxation					<u>1,002,468</u>

For the year ended 31 March 2013

	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	1,855,291	173,002	2,028,293	–	2,028,293
Inter-segment revenue	–	2,821	2,821	(2,821)	–
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total	<u>1,855,291</u>	<u>175,823</u>	<u>2,031,114</u>	<u>(2,821)</u>	<u>2,028,293</u>
Segment result based on the Adjusted EBITDA	<u>925,435</u>	<u>82,082</u>	<u>1,007,517</u>		1,007,517
Bank interest income					20,741
Depreciation of property, plant and equipment					(108,887)
Release of prepaid lease payments					(6,446)
Fair value changes in investment properties					59,000
Finance costs					(11,385)
Unallocated corporate expenses					(63,978)
					<hr/>
Profit before taxation					<u>896,562</u>

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 2014 and 31 March 2013.

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 the customer which contributed over 10% of the Group's revenue amounted to HK\$2,052,264,000 (2013: HK\$1,857,442,000). The revenue related to the gaming operation and the hotel operation.

5. PROFIT BEFORE TAXATION

	2014 <i>HK\$'000</i>	2013 <i>HK\$'000</i>
Profit before taxation has been arrived at after charging:		
Allowance for doubtful debts, net	4,306	–
Commission expenses in gaming operation (included in selling and marketing expenses)	523,618	457,079
Depreciation of property, plant and equipment	127,097	108,887
Exchange loss	30,674	–
Loss on disposal of property, plant and equipment	2,197	416
Release of prepaid lease payments	6,746	6,446
and after crediting:		
Bank interest income	61,950	20,741
Exchange gain	–	2,847
Reversal of allowance for doubtful debts, net	–	11
	<u> </u>	<u> </u>

6. TAXATION

	2014 <i>HK\$'000</i>	2013 <i>HK\$'000</i>
Current tax:		
Macau Complementary Income Tax	110,750	100,563
Underprovision in prior years:		
Macau Complementary Income Tax	–	12
Reversal of tax provision in prior years:		
Macau Complementary Income Tax	(22,339)	(22,687)
	<u> </u>	<u> </u>
	88,411	77,888
Deferred taxation:		
Current year	5,754	5,804
	<u> </u>	<u> </u>
	94,165	83,692
	<u> </u>	<u> </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\$22,339,000 for the 2008 year of assessment (2013: HK\$22,687,000 for the 2007 year of assessment) accordingly.

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

No provision for Hong Kong Profits Tax had been made in prior year as there was no estimated assessable profits for that year.

7. DIVIDENDS

	2014 <i>HK\$'000</i>	2013 <i>HK\$'000</i>
Dividends recognised as distribution during the year:		
Final paid in respect of 2013: HK\$0.072 per share (2013: HK\$0.06 per share in respect of 2012)	93,063	77,553
Interim paid in respect of 2014: HK\$0.06 per share (2013: HK\$0.053 per share in respect of 2013)	78,108	68,505
	<u>171,171</u>	<u>146,058</u>

The Board proposed the payment of a final dividend of HK\$0.075 per share (2013: HK\$0.072 per share) amounting to approximately HK\$97,691,000 in total for the year ended 31 March 2014 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:

	2014 <i>HK\$'000</i>	2013 <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>600,006</u>	<u>548,625</u>
	2014	2013
Number of shares		
Weighted average number of ordinary shares in issue for the purpose of basic earnings per share	1,297,200,777	1,292,545,983
Effect of dilutive potential ordinary shares: Share options	<u>1,099,428</u>	–
Weighted average number of ordinary shares for the purpose of diluted earnings per share	<u>1,298,300,205</u>	<u>1,292,545,983</u>

In prior year, the computation of diluted earnings per share did not assume the exercise of the Company's outstanding share options as the exercise price of those options was higher than the average market price of shares for the year ended 31 March 2013.

9. TRADE AND OTHER RECEIVABLES

	2014 <i>HK\$'000</i>	2013 <i>HK\$'000</i>
Trade receivables	275,694	266,963
Less: Allowance for doubtful debts	(44,798)	(40,492)
	<hr/>	<hr/>
	230,896	226,471
Chips on hand	87,239	88,331
Other receivables and prepayments	49,940	12,939
	<hr/>	<hr/>
	368,075	327,741
	<hr/> <hr/>	<hr/> <hr/>

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:

	2014 <i>HK\$'000</i>	2013 <i>HK\$'000</i>
0-30 days	211,191	196,747
31-60 days	4,893	4,894
61-90 days	131	–
91-180 days	51	5,120
Over 180 days	14,630	19,710
	<hr/>	<hr/>
	230,896	226,471
	<hr/> <hr/>	<hr/> <hr/>

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

	2014	2013
	<i>HK\$'000</i>	<i>HK\$'000</i>
Trade payables	14,752	18,941
Construction payables and accruals	21,967	12,609
Other payables and accruals	137,963	133,664
Short-term advance	15,000	15,000
	<hr/>	<hr/>
	189,682	180,214
	<hr/> <hr/>	<hr/> <hr/>

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:

	2014	2013
	<i>HK\$'000</i>	<i>HK\$'000</i>
0-30 days	7,129	10,231
31-60 days	6,550	7,473
61-90 days	504	685
91-180 days	569	485
Over 180 days	–	67
	<hr/>	<hr/>
	14,752	18,941
	<hr/> <hr/>	<hr/> <hr/>

11. ACQUISITION

In March 2014, the Group acquired property interests named Best Western Hotel Taipa in Macau through the acquisition of Himson Enterprises Limited and Longham Investment Limited from an independent third party at a cash consideration of HK\$900,000,000.

MANAGEMENT DISCUSSION AND ANALYSIS

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

MARKET REVIEW

Driven by the Chinese rising affluence and massive tourism outflow, visitation from the mainland continued to grow moderately. During the Year, mainland visitor arrivals to Macau increased by 13.5% to 19.4 million, representing 64.8% of total tourists. Despite the concern over sustained economic growth in China, demand for gaming was flourishing and Macau's gaming revenue surged by 19.8% to MOP378,757.5 million, according to the Macau's Gaming Inspection and Coordination Bureau ("DICJ"). Figures from DICJ also mentioned that the growth in Macau's mass market outpaced the VIP segment. Mass market baccarat revenue increased by 40.7% to MOP100,074.0 million during the Year, while the one in VIP sector increased by 14.0%.

FINANCIAL REVIEW

Overall Review

During the Year, the Group delivered a revenue of HK\$2,265.5 million (2013: HK\$2,028.3 million), representing an increase of 11.7% when compared with the previous year. The Group's earnings before interest, tax, depreciation and amortisation ("EBITDA") and before non-controlling interests increased by 12.4% to HK\$1,060.8 million (2013: HK\$943.5 million). The EBITDA margin before non-controlling interests reached 46.8% (2013: 46.5%). Profit for the Year attributable to the owners of the Company achieved 9.4% growth to HK\$600.0 million (2013: HK\$548.6 million). Basic earnings per share was HK\$0.46 (2013: HK\$0.42). The Board recommended the payment of a final dividend of HK\$0.075 (2013: HK\$0.072) per share. Together with the interim dividend of HK\$0.06 per share, the total dividend per share for the Year was HK\$0.135 (2013: HK\$0.125).

Capital Structure

During the Year, 10,000,000 share options of the Company were exercised at an exercise price of HK\$2.2 each. The number of issued shares of the Company was then increased by 10,000,000 shares of HK\$0.0001 each to 1,302,545,983 shares. The new shares rank pari passu with the existing shares in all aspects. As a result, the Company's share capital and share premium increased by HK\$1,000 and HK\$26.0 million respectively, and the share option reserve of the Company reduced by HK\$4.0 million.

Liquidity and Financial Resources

The Group continued to maintain a strong cash position and a healthy financial position as supported by strong cash inflow. The Group funded its operations and capital expenditure by cash generated from its operations internally and financed the acquisition of the property interests in Best Western Hotel Taipa ("BWH") by external borrowings.

As at 31 March 2014, aggregate of bank balances and cash, short-term bank deposits and pledged bank deposits of the Group amounted to HK\$2,839.8 million (2013: HK\$2,028.8 million), which are mainly denominated in Hong Kong dollars, Macau Pataca and Renminbi.

For the commercial benefit of the Group, during the Year, the Group exchanged excessive cash in Hong Kong dollars into offshore traded Renminbi (“CNH”) and deposited them with banks for earning 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. In view of the recent market fluctuation of the currency and the existing loan portfolio of the Group, the Directors decided to realise certain of these CNH deposits into Hong Kong dollars after the end of the Year. The Directors continue to monitor exposures to foreign exchange risk as well as interest rate risk and if necessary, will take appropriate actions to mitigate these exposures.

Except as described above, the Group did not experience any significant exposure to foreign exchange rate fluctuation during the Year.

The Group’s current assets and current liabilities as at 31 March 2014 were HK\$3,238.0 million and HK\$1,660.2 million (2013: HK\$2,376.4 million and HK\$690.2 million) respectively. Advances from non-controlling interests of a subsidiary of the Company at the end of the Year amounted to HK\$186.0 million (2013: HK\$226.0 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. During the Year, the Group also raised bank borrowings of HK\$591.9 million (2013: nil), which is denominated in Hong Kong dollars, secured, interest bearing at prevailing market rate and repayable within one year. Other borrowings amounting to HK\$315.0 million (2013: nil) is denominated in Hong Kong dollars, unsecured and repayable within six months, and bears interest at a fixed rate. With the addition of these borrowings, the Group’s gearing ratio (expressed as a percentage of total borrowings over total equity) as at 31 March 2014 increased from 6.2% to 24.9%.

Pledge of Assets

As at 31 March 2014, assets with carrying values of approximately HK\$3.9 billion (2013: HK\$1.5 billion) were pledged to several banks as security for banking facilities in a total of approximately HK\$2.4 billion (2013: HK\$100.0 million) granted to the Group. In addition, the Group pledged a bank deposit of approximately HK\$0.3 million (2013: HK\$0.3 million) 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 in Macau, namely, Grand Emperor Hotel (“GEH”) and BWH.

GEH, the Group’s flagship project located in the Peninsula, has over 130,000 square feet of gaming space spreading over six floors offering slot machines as well as gaming tables in gaming concourse and VIP room. The Group strives to pursue an effective customer segmentation strategy with strong focus on premium mass market, and the success of which has proven by an impressive track record of average win per table per day in gaming concourse. During the Year, the Group further ramped up the proportion of premium mass customers and once again resulted in a solid growth in gaming concourse.

In March 2014, the Group completed the acquisition of BWH at a cash consideration of HK\$900.0 million. Located at Estrada Governador Nobre De Carvalho Nos. 812-848 Taipa Macau, BWH is a 17-storey 3-stars hotel, adjacent to popular tourists’ spots. It has a total gross floor area of 209,000 square feet with 262 guest rooms. The acquisition enabled the Group to expand its hotel room capacity by extending the coverage from the Peninsula to Taipa, Macau.

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 achieved a 10.5% growth in gaming revenue to approximately HK\$2,050.1 million (2013: HK\$1,855.3 million), accounting for 90.5% of the Group’s total revenue.

Gaming Concourse

Driven by a growing customer traffic and an increasing spending power, the gross win in gaming concourse grew by 13.7% to HK\$2,831.5 million (2013: HK\$2,489.7 million). Revenue from gaming concourse was HK\$1,569.3 million (2013: HK\$1,381.3 million), representing an increase of 13.6%. The segment accounted for 69.3% of the Group’s total revenue as compared with 68.1% in the previous year. The number of tables in the gaming concourse was 67 tables (2013: 67 tables). Average win per table per day reached HK\$115,000 (2013: HK\$104,000).

VIP Room

The Group self-managed a VIP room with 10 tables (2013: 10 tables) with the rolling amount of HK\$26.1 billion (2013: HK\$21.4 billion). Revenue from VIP room grew by 5.5% to HK\$451.5 million (2013: HK\$428.0 million), accounting for 19.9% of the Group’s total revenue. Average win per table per day increased to HK\$218,000 (2013: HK\$195,000).

Slot Machines

The segment recorded a gross win of HK\$66.5 million (2013: HK\$103.5 million) with the capacity of 200 slot seats (2013: 282 slot seats). Segmental revenue was HK\$29.3 million (2013: HK\$46.0 million), accounting for 1.3% of the Group's total revenue. Average win per seat per day was HK\$950 (2013: HK\$1,010).

Hotel Revenue

During the Year, a vast majority of the hotel revenue was generated from GEH as the acquisition of BWH was completed in late-March, 2014. Combined hotel revenue was HK\$215.4 million (2013: HK\$173.0 million), accounting for 9.5% of the Group's total revenue.

GEH and BWH provided a total of 569 guest rooms as of 31 March 2014. During the Year, a combined average room rate was HK\$1,250 per night (2013: HK\$1,206 per night) with occupancy rate as 89% (2013: 89%). Combined room revenue was HK\$54.8 million (2013: HK\$40.3 million). Combined revenue from food and beverage was HK\$122.4 million (2013: HK\$97.4 million) while an aggregate amount of rental and other revenue was HK\$38.2 million (2013: HK\$35.3 million).

In November 2013, GEH won three Gold Pins in respective area, namely "Cook in Chinese Cuisine (Cantonese Cuisine) – Intermediate", "Security Officer for Tourism and Gaming Industry" and "Room Attendant", in Macao Occupational Skills Recognition System (MORS) Gold Pin Competition, after competing against over 400 industry participants. These recognitions demonstrated that GEH's team outperformed across the industry, in terms of proficiencies and service excellence.

OUTLOOK

Riding on China's growth story over the past few years, Macau's tourism spending has been continuing to boom. Eyeing an increasingly affluent Chinese, other Asian markets are looking to emulate Macau's success and are aggressively expanding their gaming sectors. Taking full advantages of its culture and proximity to the mainland, Macau is a hot spot and entertainment destination in Chinese-speaking communities and remains attractive to a burgeoning middle class. With the expansion of the border gates and improvements of the transport links infrastructure, the city's accessibility will further be enhanced, resulting in a rising tourist inflow and robust demand for gaming in Macau. Leveraging on its superior customer servicing capabilities, the Group is well positioned to capture the growth momentum in Macau's gaming market.

With the acquisition of BWH, the accommodation capacity of the Group greatly expanded to cater the growing customer demand. The Group is confident that such acquisition will generate steady returns on capital and deliver incremental revenue. In the long run, the Group will continue to eye opportunities in Macau to create value for the shareholders.

EMPLOYEES AND REMUNERATION POLICY

As at 31 March 2014, the Group's number of employee was 1,240 (2013: 1,157). Total staff costs including the Directors' remuneration and the other staff costs for the Year were HK\$410.3 million (2013: HK\$389.9 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 2 September 2002 (the "Old Share Option Scheme"). The Old Share Option Scheme lapsed automatically on 1 September 2012 upon expiry of the 10-year period. During the Year, the Company adopted a new share option scheme on 15 August 2013 in view of the expiration of the Old Share Option Scheme. Other relevant details of both schemes 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\$0.075 (2013: HK\$0.072) per share ("Final Dividend") for the Year, amounting to approximately HK\$97,691,000 (2013: HK\$93,063,000). The Final Dividend, if being approved at the forthcoming annual general meeting of the Company ("AGM"), will be paid on 18 September 2014 (Thursday) to shareholders whose names appear on the register of members of the Company on 27 August 2014 (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 15 August 2014 (Friday)
Book close date	18 August 2014 (Monday)
Record date	18 August 2014 (Monday)
AGM	19 August 2014 (Tuesday)

For ascertaining shareholders' entitlement to the proposed Final Dividend

Latest time to lodge transfers	4:30 p.m. on 25 August 2014 (Monday)
Book close dates	26 to 27 August 2014 (Tuesday to Wednesday)
Record date	27 August 2014 (Wednesday)
Final Dividend payment date	18 September 2014 (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.

REVIEW OF ANNUAL RESULTS

The annual results for the Year have been reviewed by the audit committee of the Company, which comprises three Independent Non-executive Directors of the Company.

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, 18 June 2014

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