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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 2013**

FINANCIAL HIGHLIGHTS

	For the year ended 31 March		Changes
	2013	2012	
	HK\$'000	HK\$'000	
Revenue	<u>2,028,293</u>	<u>1,783,074</u>	<u>+13.8%</u>
Gross profit	<u>1,533,840</u>	<u>1,375,147</u>	<u>+11.5%</u>
EBITDA (before non-controlling interests)	<u>943,539</u>	<u>803,516</u>	<u>+17.4%</u>
EBITDA margin (before non-controlling interests)	<u>46.5%</u>	<u>45.1%</u>	<u>+1.4% pts</u>
Profit for the year attributable to owners of the Company	<u>548,625</u>	<u>465,469</u>	<u>+17.9%</u>
Earnings per share Basic and diluted	<u>HK\$0.42</u>	<u>HK\$0.36</u>	<u>+16.7%</u>
Total dividend per share	<u>HK\$0.125</u>	<u>HK\$0.103</u>	<u>+21.4%</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 2013 (the “Year”) together with the comparative figures for the corresponding year in 2012 as set out below.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2013

	<i>Notes</i>	2013 <i>HK\$'000</i>	2012 <i>HK\$'000</i>
Revenue	3	2,028,293	1,783,074
Cost of sales		(35,568)	(32,663)
Cost of hotel and gaming operations		(458,885)	(375,264)
Gross profit		1,533,840	1,375,147
Other income		26,211	16,172
Gain on fair value change in investment properties		59,000	114,600
Selling and marketing expenses		(507,557)	(491,659)
Administrative expenses		(203,547)	(178,599)
Finance costs		(11,385)	(12,691)
Profit before taxation	5	896,562	822,970
Taxation	6	(83,692)	(79,726)
Profit for the year		812,870	743,244
Other comprehensive expense:			
Exchange differences arising on translation of foreign operations		—	(3)
Total comprehensive income for the year		812,870	743,241

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (Continued)

For the year ended 31 March 2013

	<i>Note</i>	2013 <i>HK\$'000</i>	2012 <i>HK\$'000</i>
Profit for the year attributable to:			
Owners of the Company		548,625	465,469
Non-controlling interests		264,245	<u>277,775</u>
		812,870	<u>743,244</u>
Total comprehensive income attributable to:			
Owners of the Company		548,625	465,466
Non-controlling interests		264,245	<u>277,775</u>
		812,870	<u>743,241</u>
Earnings per share	8		
Basic and diluted		HK\$0.42	<u>HK\$0.36</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2013

	<i>Notes</i>	2013 <i>HK\$'000</i>	2012 <i>HK\$'000</i>
Non-current assets			
Investment properties		450,000	391,000
Property, plant and equipment		1,255,905	1,167,907
Prepaid lease payments		226,141	232,587
Deposits paid for acquisition of property, plant and equipment		2,026	14,848
Goodwill		110,960	110,960
		2,045,032	1,917,302
Current assets			
Inventories, at cost		13,450	12,345
Trade and other receivables	9	327,741	316,669
Prepaid lease payments		6,446	6,446
Pledged bank deposit		300	300
Short-term bank deposits		22,244	501,923
Bank balances and cash		2,006,252	898,666
		2,376,433	1,736,349
Current liabilities			
Trade and other payables	10	180,214	158,397
Amounts due to fellow subsidiaries		3,769	3,649
Amounts due to non-controlling interests of a subsidiary		226,000	230,221
Taxation payable		280,191	202,315
		690,174	594,582
Net current assets		1,686,259	1,141,767
Total assets less current liabilities		3,731,291	3,059,069

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)*At 31 March 2013*

	2013	2012
	<i>HK\$'000</i>	<i>HK\$'000</i>
Non-current liability		
Deferred taxation	<u>108,067</u>	<u>102,263</u>
	<u>3,623,224</u>	<u>2,956,806</u>
Capital and reserves		
Share capital	129	129
Reserves	<u>2,509,018</u>	<u>2,106,451</u>
Equity attributable to owners of the Company	2,509,147	2,106,580
Non-controlling interests	<u>1,114,077</u>	<u>850,226</u>
	<u>3,623,224</u>	<u>2,956,806</u>

Notes:

1. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

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.

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.

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 2012.

2. APPLICATION OF NEW AND REVISED HKFRSs

In the Year, the Group has applied the following amendments to HKFRS issued by the HKICPA.

Amendments to HKFRS 7	Financial instruments: Disclosures – Transfers of financial assets
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In the prior years, the Group has early adopted the Amendments to HKAS 12 “Income taxes”, in respect of the recognition of deferred tax on investment properties carried at fair value under HKAS 40 “Investment property”.

The application of the amendments to HKFRS 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.

2. APPLICATION OF NEW AND REVISED HKFRSs (Continued)

New and revised HKFRSs in issue but not yet effective

The Group has not early applied the following Hong Kong Accounting Standards (“HKASs”) and HKFRSs, amendments and interpretation (“INTs”) (hereinafter collectively referred to as the “new and revised HKFRSs”) that have been issued but are not yet effective:

Amendments to HKFRSs	Annual improvements to HKFRSs 2009-2011 cycle ¹
Amendments to HKFRS 7	Disclosures – Offsetting financial assets and financial liabilities ¹
Amendments to HKFRS 9 and HKFRS 7	Mandatory effective date of HKFRS 9 and transition disclosures ³
Amendments to HKFRS 10, HKFRS 11 and HKFRS 12	Consolidated financial statements, joint arrangements and disclosure of interests in other entities: Transition guidance ¹
Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Investment entities ²
HKFRS 9	Financial instruments ³
HKFRS 10	Consolidated financial statements ¹
HKFRS 11	Joint arrangements ¹
HKFRS 12	Disclosure of interests in other entities ¹
HKFRS 13	Fair value measurement ¹
HKAS 19 (as revised in 2011)	Employee benefits ¹
HKAS 27 (as revised in 2011)	Separate financial statements ¹
HKAS 28 (as revised in 2011)	Investments in associates and joint ventures ¹
Amendments to HKAS 1	Presentation of items of other comprehensive income ⁴
Amendments to HKAS 32	Offsetting financial assets and financial liabilities ²
HK (IFRIC) – Int 20	Stripping costs in the production phase of a surface mine ¹

¹ Effective for annual periods beginning on or after 1 January 2013.

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

³ Effective for annual periods beginning on or after 1 January 2015.

⁴ Effective for annual periods beginning on or after 1 July 2012.

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

The amendments to HKAS 1 “Presentation of items of other comprehensive income” introduce new terminology for the statement of comprehensive income and income statement. Under the amendments to HKAS 1, a ‘statement of comprehensive income’ is renamed as a ‘statement of profit or loss and other comprehensive income’. The amendments to HKAS 1 also require items of other comprehensive income to be 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 to HKAS 1 will be adopted in the Group’s consolidated financial statements for annual period beginning on 1 April 2013 and the application of the amendments will have no material impact on the results and presentation in the consolidated financial statements in the future accounting periods.

2. APPLICATION OF NEW AND REVISED HKFRSs (Continued)

HKFRS 13 “Fair value measurement”

HKFRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The standard defines fair value, establishes a framework for measuring fair value, and requires disclosures about fair value measurements. The scope of HKFRS 13 is broad; it applies 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 in specified circumstances. In general, the disclosure requirements in HKFRS 13 are more extensive than those in the current standards.

HKFRS 13 is effective for annual periods beginning on or after 1 January 2013, with earlier application permitted. HKFRS 13 will be adopted in the Group’s consolidated financial statements for the annual period beginning 1 April 2013 and that the application of the new standard is unlikely to affect the amounts reported in the consolidated financial statements but will result in more extensive disclosures in the consolidated financial statements.

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

In June 2011, a package of five standards on consolidation, associates and disclosures was issued, including HKFRS 10, HKFRS 11, HKFRS 12, HKAS 27 (as revised in 2011) and HKAS 28 (as revised in 2011).

Key requirements of these standards that are relevant to the Group are described below.

HKFRS 10 replaces the parts of HKAS 27 “Consolidated and separate financial statements” that deal with consolidated financial statements. HK (SIC) – Int 12 “Consolidation – Special purpose entities” will be withdrawn upon the effective date of HKFRS 10. HKFRS 10 includes a new definition of control that contains three elements: (a) power over an investee, (b) exposure, or rights, to variable returns from its involvement with the investee, and (c) the ability to use its power over the investee to affect the amount of the investor’s returns. Extensive guidance has been added in HKFRS 10 to deal with complex scenarios.

HKFRS 12 is a disclosure standard and is applicable to the Group’s interests in subsidiaries. In general, the disclosure requirements in HKFRS 12 are more extensive than those in the current standards.

In July 2012, the amendments to HKFRS 10, HKFRS 11 and HKFRS 12 were issued to clarify certain transitional guidance on the application of these five HKFRSs for the first time.

These five standards, together with amendments relating to the transitional guidance, will be adopted in the Group’s consolidated financial statements for the annual period beginning 1 April 2013. The Directors have assessed the control in respect of its subsidiaries under the new definition in the new and revised HKFRSs. The Directors anticipate that the application of these five standards is unlikely to have significant impact on amounts in connection to subsidiaries of the Company currently reported in the consolidated financial statements. The application of HKFRS 12 will result in more extensive disclosure relating to non-controlling interests in the Group’s consolidated financial statements.

Except for the above new and revised HKFRSs, the Directors anticipate that the application of the other new or 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:

	2013 <i>HK\$'000</i>	2012 <i>HK\$'000</i>
Service income from gaming operation in mass market halls	1,381,315	1,178,248
Service income from gaming operation in VIP rooms	428,006	397,137
Service income from gaming operation in slot machine hall	45,970	51,944
Hotel room income	40,308	44,668
Food and beverage sales	97,393	80,194
Rental income from investment properties	30,372	26,432
Others	4,929	4,451
	<u>2,028,293</u>	<u>1,783,074</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 halls, VIP room and slot machine hall. No operating results nor 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 halls, 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 in Macau including property investment income from investment properties in the Grand Emperor Hotel

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, central administration costs and gain on fair value change in investment properties (the "Adjusted EBITDA").

4. SEGMENT INFORMATION (Continued)

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 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)	–
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)
Gain on fair value change in investment properties					59,000
Imputed interest expense on amounts due to non– controlling interests of a subsidiary					(11,385)
Unallocated corporate expenses					<u>(63,978)</u>
Profit before taxation					<u>896,562</u>

4. SEGMENT INFORMATION (Continued)

Segment revenues and results (Continued)

For the year ended 31 March 2012

	Gaming operation HK\$'000	Hotel operation HK\$'000	Total HK\$'000	Elimination HK\$'000	Consolidated HK\$'000
SEGMENT REVENUE					
External revenue	1,627,329	155,745	1,783,074	–	1,783,074
Inter-segment revenue	–	4,534	4,534	(4,534)	–
Total	<u>1,627,329</u>	<u>160,279</u>	<u>1,787,608</u>	<u>(4,534)</u>	<u>1,783,074</u>
Segment result based on the Adjusted					
EBITDA	<u>776,038</u>	<u>84,494</u>	<u>860,532</u>		860,532
Bank interest income					11,963
Depreciation of property, plant and equipment					(87,972)
Release of prepaid lease payments					(6,446)
Gain on fair value change in investment properties					114,600
Imputed interest expense on amounts due to non– controlling interests of a subsidiary					(12,691)
Unallocated corporate expenses					<u>(57,016)</u>
Profit before taxation					<u>822,970</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 2013 and 31 March 2012.

Geographical information

The Group's revenue was derived principally in Macau.

The non-current assets are all located in Macau.

Information about major customers

During the Year, revenue derived from the customer which contributed over 10% of the Group's revenue amounted to HK\$1,857,442,000 (2012: HK\$1,629,747,000). The revenue related to the gaming operation and hotel operation.

5. PROFIT BEFORE TAXATION

	2013 <i>HK\$'000</i>	2012 <i>HK\$'000</i>
Profit before taxation has been arrived at after charging:		
Auditor's remuneration	2,990	2,946
Commission expenses in gaming operation (included in selling and marketing expenses)	457,079	452,804
Cost of inventories recognised as an expense	35,568	32,663
Depreciation of property, plant and equipment	108,887	87,972
Loss on disposal of property, plant and equipment	416	–
Release of prepaid lease payments	6,446	6,446
Staff costs, including directors' remuneration and retirement benefit scheme contributions	389,935	316,811
and after crediting:		
Bank interest income	20,741	11,963
Exchange gain	2,847	3,440
Reversal of allowance for doubtful debts, net	<u>11</u>	<u>–</u>

6. TAXATION

	2013 <i>HK\$'000</i>	2012 <i>HK\$'000</i>
Current tax:		
Macau Complimentary Income Tax	100,563	80,002
Underprovision in prior years:		
Macau Complimentary Income Tax	12	–
Reversal of tax provision in prior years:		
Macau Complimentary Income Tax	<u>(22,687)</u>	<u>(18,130)</u>
	77,888	61,872
Deferred tax:		
Current year	<u>5,804</u>	<u>17,854</u>
	<u>83,692</u>	<u>79,726</u>

The Macau Complimentary 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\$22,687,000 for the 2007 year of assessment (2012: HK\$18,130,000 for the 2006 year of assessment) accordingly.

No provision for Hong Kong Profits Tax has been made as there were no estimated assessable profits for both years.

7. DIVIDENDS

	2013 <i>HK\$'000</i>	2012 <i>HK\$'000</i>
Dividends recognised as distribution during the year:		
Final paid in respect of 2012: HK\$0.06 per share (2012: HK\$0.05 per share in respect of 2011)	77,553	64,627
Interim paid in respect of 2013: HK\$0.053 per share (2012: HK\$0.043 per share in respect of 2012)	<u>68,505</u>	<u>55,579</u>
	<u>146,058</u>	<u>120,206</u>

The Board proposed the payment of a final dividend of HK\$0.072 per share (2012: HK\$0.06 per share) amounting to approximately HK\$93,063,000 in total for the year ended 31 March 2013 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:

	2013 <i>HK\$'000</i>	2012 <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>548,625</u>	<u>465,469</u>
	2013	2012
Number of shares		
Number of ordinary shares in issue for the purpose of basic and diluted earnings per share	<u>1,292,545,983</u>	<u>1,292,545,983</u>

The computation of diluted earnings per share does 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 both years ended 31 March 2013 and 31 March 2012.

9. TRADE AND OTHER RECEIVABLES

	2013	2012
	<i>HK\$'000</i>	<i>HK\$'000</i>
Trade receivables	266,963	277,672
Less: Allowance for doubtful debts	(40,492)	(62,769)
	<u>226,471</u>	<u>214,903</u>
Chips on hand	88,331	89,315
Other receivables and prepayments	12,939	12,451
	<u>327,741</u>	<u>316,669</u>

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 terms are extended to a longer period. An aged 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:

	2013	2012
	<i>HK\$'000</i>	<i>HK\$'000</i>
0-30 days	196,747	153,020
31-60 days	4,894	15,640
61-90 days	–	–
91-180 days	5,120	3,600
Over 180 days	19,710	42,643
	<u>226,471</u>	<u>214,903</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

	2013 <i>HK\$'000</i>	2012 <i>HK\$'000</i>
Trade payables	18,941	13,940
Construction payables and accruals	12,609	10,397
Other payables and accruals	133,664	119,060
Short-term advance	15,000	15,000
	<u>180,214</u>	<u>158,397</u>

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

	2013 <i>HK\$'000</i>	2012 <i>HK\$'000</i>
0-30 days	10,231	7,009
31-60 days	7,473	6,606
61-90 days	685	198
91-180 days	485	92
Over 180 days	67	35
	<u>18,941</u>	<u>13,940</u>

MANAGEMENT DISCUSSION AND ANALYSIS

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

MARKET REVIEW

For the Year, global political uncertainty, worries on China's recovery momentum and unresolved Eurozone debt issues casted doubts over the global economic outlook. Against this backdrop, Macau gaming revenue still recorded a moderate growth of 11.0% to MOP316,238 million, revealed by the Macau's Gaming Inspection and Coordination Bureau. The growth rate was relatively mild, largely due to the high base level in the prior year. During the Year, visitors from the mainland had been increasingly dominant in Macau's tourist profile. According to the Statistics and Census Service of the Macau Government, visitors from the mainland grew by 2.7% to 17.1 million, representing 60.6% of total visitor arrivals.

FINANCIAL REVIEW

Overall Review

Riding on the Group's continued efforts to expand the premium mass segment, the Group had once again delivered satisfactory performance during the Year. The Group posted a 13.8% growth in revenue to HK\$2,028.3 million (2012: HK\$1,783.1 million). The Group's earnings before interest, tax, depreciation and amortisation ("EBITDA") and before non-controlling interests amounted to HK\$943.5 million (2012: HK\$803.5 million), representing a growth of 17.4%. The EBITDA margin before non-controlling interests was 46.5% (2012: 45.1%). Profit for the Year attributable to the owners of the Company increased by 17.9% to HK\$548.6 million (2012: HK\$465.5 million). Basic earnings per share was HK\$0.42 (2012: HK\$0.36). The Board is pleased to declare a final dividend of HK\$0.072 (2012: HK\$0.06) per share. Together with the interim dividend of HK\$0.053 (2012: HK\$0.043) per share, the total dividend per share for the Year was HK\$0.125 (2012: HK\$0.103).

Liquidity and Financial Resources

During the Year, there was no change in the capital structure of the Group. The Group continued to maintain a strong cash position. The Group mainly funded its operations and capital expenditure through its internally generated cash flow from operations. As at 31 March 2013, advances from non-controlling interests of a subsidiary of the Company were HK\$226.0 million (2012: HK\$230.2 million), which was denominated in Hong Kong dollars, unsecured, interest-free and repayable at discretion of non-controlling interests and availability of surplus fund of the subsidiary. The Group had no bank borrowings with low gearing ratio, optimising its financial position and minimising its exposure to interest rate risk.

FINANCIAL REVIEW (Continued)

Liquidity and Financial Resources (Continued)

The Group's current assets and current liabilities as at 31 March 2013 were HK\$2,376.4 million and HK\$690.2 million (2012: HK\$1,736.3 million and HK\$594.6 million) respectively. The gearing ratio of the Group (expressed as a percentage of total borrowings over total equity) as at 31 March 2013 was further decreased to 6.2% (2012: 7.8%).

Save as disclosed above and trade and other payables and accrued charges, the Group had no other external borrowings. During the Year, the Group was able to maintain its strong and healthy financial position as supported by strong cash inflow. Aggregate of bank balances and cash on hand and short-term bank deposits of the Group as at 31 March 2013 amounted to HK\$2,028.5 million (2012: HK\$1,400.6 million), which were mainly denominated in Hong Kong dollars and Macau Pataca. With the borrowings, bank balances and cash on hand and short-term bank deposits denominated in Hong Kong dollars and Macau Pataca, the Group did not experience any significant exposure to foreign exchange rate fluctuation during the Year.

Pledge of Assets

As at 31 March 2013, assets with carrying values of approximately HK\$1.5 billion (2012: HK\$1.5 billion) were pledged to a bank as security for unutilised banking facilities available to the Group. In addition, the Group pledged a bank deposit of HK\$0.3 million (2012: HK\$0.3 million) to a bank as security for use of ferry ticket equipment granted by a third party to the Group.

BUSINESS REVIEW

The Group's flagship project, Grand Emperor Hotel in Macau (the "Hotel"), 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. Strategically focusing on higher-margin premium mass segment, the Group had continued to further enhance its business mix by allocating more spaces in premium mass within gaming concourse segment. Capitalising the middle-class travelers with strong spending power, the Group achieved record high average win per table per day in gaming concourse.

BUSINESS REVIEW (Continued)

Gaming Revenue

The Group's casino is operated under the gaming licence held by Sociedade de Jogos de Macau, S.A. In the Year, gaming revenue increased by 14.0% to HK\$1,855.3 million (2012: HK\$1,627.3 million), accounting for 91.5% of the Group's total revenue.

Gaming Concourse

Despite the softened upward trend of gaming revenue and visitation to Macau, the premium mass market remained strong during the Year and the gross win in gaming concourse achieved 17.4% growth to HK\$2,489.7 million (2012: HK\$2,120.5 million). Segmental revenue increased by 17.2% to HK\$1,381.3 million (2012: HK\$1,178.3 million), accounting for 68.1% of the Group's total revenue. The number of tables in the gaming concourse was 67 tables (2012: 67 tables). Average win reached a record high with a six-digit figure of approximately HK\$104,000 (2012: HK\$93,000) per table per day.

VIP Room

The Group self-managed a VIP room with a total of 10 tables (2012: 10 tables) with the rolling amount of HK\$21.4 billion (2012: HK\$24.1 billion). Segmental revenue was HK\$428.0 million (2012: HK\$397.1 million), accounting for 21.1% of the Group's total revenue. Average win was approximately HK\$195,000 (2012: HK\$139,000) per table per day.

Slot Machines

The segment recorded a gross win of HK\$103.5 million (2012: HK\$116.6 million) with the capacity of 282 slot seats (2012: 293 slot seats). Segmental revenue was HK\$46.0 million (2012: HK\$51.9 million), accounting for 2.3% the Group's total revenue. Average win was approximately HK\$1,010 (2012: HK\$1,050) per seat per day.

Hotel Revenue

During the Year, this segment recorded a revenue of HK\$173.0 million (2012: HK\$155.8 million), accounting for 8.5% of the Group's total revenue. The Hotel has a capacity of 307 guest rooms. During the Year, the Hotel reported an average daily rate of HK\$1,206 (2012: HK\$1,087) and a high occupancy rate of 89% (2012: 89%). Room and other revenue amounted to HK\$45.2 million (2012: HK\$49.1 million). Revenue from food and beverage was HK\$97.4 million (2012: HK\$80.2 million), while rental revenue from sauna, night club and retail space was HK\$30.4 million (2012: HK\$26.5 million).

OUTLOOK

After years of infrastructure development between the mainland and Macau, the connectivity between major cities in China and Macau continues to improve due to shorter travel time and lower travel cost. This further solidifies Macau's attractiveness as a favourable tourist destination for mainland visitors. While China's outbound tourism is still at the exploratory stage, the Group expects it will continue to grow steadily as supported by RMB appreciation and the increase of disposable income of the mainlanders. These factors will be keys to facilitate the Macau gaming industry in the future.

Leveraging on the Hotel's prime location and synergies with companies within Emperor Group, the Group is confident to capture the market potential in Macau, the biggest gambling hub in the world. The Group will strive to take full advantage of its flexibility in customer segmentation to optimise its business mix according to the market conditions and thereby driving a steady business growth in the future.

EMPLOYEES AND REMUNERATION POLICY

As at 31 March 2013, the Group's number of employee was 1,157 (2012: 1,094). Total staff costs including directors' remuneration and the other staff costs for the Year were HK\$389.9 million (2012: HK\$316.8 million). Employees' remuneration was determined in accordance with individual's responsibility, performance and experience. Staff benefits include contribution to retirement benefit scheme, medical insurance and other fringe benefits.

To provide incentives or rewards to the staff, the Company adopted a share option scheme on 2 September 2002 (the "Scheme"). The Scheme has lapsed automatically on 1 September 2012 upon expiry of the 10-year period. During the Year, the Company did not grant any option under the Scheme and the outstanding share options as at the end of the Year was 10,000,000 share options which were granted to certain directors of the Company in August 2005 and can be exercised before 10 August 2015.

FINAL DIVIDEND

The Board recommended the payment of a final dividend of HK\$0.072 (2012: HK\$0.06) per share ("Final Dividend") for the Year, amounting to approximately HK\$93,063,000 (2012: HK\$77,553,000). The Final Dividend, if being approved at the forthcoming annual general meeting of the Company ("AGM"), will be paid on 6 September 2013 (Friday) to shareholders whose names appear on the register of members of the Company on 16 August 2013 (Friday).

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 6 August 2013 (Tuesday)
Book close date	7 August 2013 (Wednesday)
Record date	7 August 2013 (Wednesday)
AGM	8 August 2013 (Thursday)

For ascertaining shareholders' entitlement to the proposed Final Dividend

Latest time to lodge transfers	4:30 p.m. on 14 August 2013 (Wednesday)
Book close dates	15 to 16 August 2013 (Thursday-Friday)
Record date	16 August 2013 (Friday)
Final Dividend payment date	6 September 2013 (Friday)

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 26th Floor, Tesbury Centre, 28 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, 17 June 2013

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 Sim Ling, Irene

Ms. Chan Wiling, Yvonne

Ms. Wan Choi Ha