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 2017

FINANCIAL SUMMARY

	For the year ended 31 March		
	2017	2016	**Changes**
	HK$'000	*HK$'000*	
Revenue	**1,613,180**	1,721,042	**– 6.3%**
Gross profit	**1,053,894**	1,126,504	**– 6.4%**
Profit for the year attributable to owners of the Company	**346,490**	256,224	**+ 35.2%**
Basic earnings per share	**HK$0.27**	HK$0.20	**+ 35.0%**
Total dividends per share	**HK$0.082**	HK$0.08	**+ 2.5%**

* *for identification purposes only*

The board of directors (the "Board" or "Directors") of Emperor Entertainment Hotel Limited (the "Company") announces the audited consolidated financial statements of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 March 2017 (the "Year") together with the comparative figures for the corresponding year in 2016 as set out below:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2017

	Notes	**2017** *HK$'000*	2016 *HK$'000*
Revenue	3	**1,613,180**	1,721,042
Cost of sales		**(41,405)**	(43,977)
Cost of hotel and gaming operations		**(517,881)**	(550,561)
Gross profit		**1,053,894**	1,126,504
Other income		**38,222**	78,063
Fair value changes of investment properties		**(16,000)**	(67,800)
Other losses	5	**(29,422)**	(163,158)
Selling and marketing expenses		**(378,048)**	(375,072)
Administrative expenses		**(244,129)**	(250,144)
Finance costs		**(14,663)**	(14,365)
Profit before taxation	6	**409,854**	334,028
Taxation credit (charge)	7	**18,796**	(10,354)
Profit for the year		**428,650**	323,674
Other comprehensive income (expense)			
Items that will not be reclassified subsequently to profit or loss:			
Revaluation surplus of prepaid lease payments and property, plant and equipment transferred to investment properties		**30,500**	–
Deferred tax on revaluation surplus of prepaid lease payments and property, plant and equipment transferred to investment properties		**(3,660)**	–
Other comprehensive income for the year		**26,840**	–
Total comprehensive income for the year		**455,490**	323,674

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2017

	Note	2017 HK$'000	2016 HK$'000
Profit for the year attributable to:			
Owners of the Company		**346,490**	256,224
Non-controlling interests		**82,160**	67,450
		428,650	323,674
Total comprehensive income for the year attributable to:			
Owners of the Company		**362,594**	256,224
Non-controlling interests		**92,896**	67,450
		455,490	323,674
Earnings per share			
Basic	*9*	**HK$0.27**	HK$0.20

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 31 March 2017

	Notes	**2017** **HK$'000**	2016 HK$'000
Non-current assets			
Investment properties		**626,200**	664,200
Property, plant and equipment		**1,327,753**	1,374,257
Prepaid lease payments		**480,603**	491,405
Deposits paid for acquisition of property, plant and equipment		**2,698**	5,752
Goodwill		**110,960**	110,960
		2,548,214	2,646,574
Current assets			
Inventories, at cost		**13,619**	13,001
Trade and other receivables	*10*	**287,631**	297,706
Prepaid lease payments		**15,711**	15,144
Pledged bank deposits		**329**	655,718
Short-term bank deposits		**2,822**	39,031
Bank balances and cash		**3,959,005**	2,851,246
		4,279,117	3,871,846
Current liabilities			
Trade and other payables	*11*	**212,626**	193,942
Amounts due to fellow subsidiaries		**4,092**	4,923
Amounts due to non-controlling interests of a subsidiary		**120,800**	132,000
Taxation payable		**436,884**	453,912
Bank borrowing – due within one year		**43,200**	37,800
		817,602	822,577
Net current assets		**3,461,515**	3,049,269
Total assets less current liabilities		**6,009,729**	5,695,843
Non-current liabilities			
Bank borrowing – due after one year		**426,600**	469,800
Deferred taxation		**104,554**	102,662
		531,154	572,462
		5,478,575	5,123,381
Capital and reserves			
Share capital		**130**	130
Reserves		**3,705,209**	3,442,911
Equity attributable to owners of the Company		**3,705,339**	3,443,041
Non-controlling interests		**1,773,236**	1,680,340
		5,478,575	5,123,381

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") and Hong Kong Accounting Standards ("HKASs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). In addition, the consolidated financial statements include 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 2016.

2. **APPLICATION OF NEW AND AMENDMENTS TO HKFRSs**

Amendments to HKFRSs and HKASs that are mandatorily effective for the current year

The Group has applied the following amendments to HKFRSs and HKASs issued by the HKICPA for the first time in the current year.

Amendments to HKFRS 11	Accounting for acquisitions of interests in joint operations
Amendments to HKAS 1	Disclosure initiative
Amendments to HKAS 16 and HKAS 38	Clarification of acceptable methods of depreciation and amortisation
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer plants
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment entities: Applying the consolidation exception
Amendments to HKFRSs	Annual improvements to HKFRSs 2012–2014 cycle

The application of the above amendments to HKFRSs and HKASs 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 these consolidated financial statements.

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRSs *(Continued)*

New and amendments to HKFRSs, HKASs and interpretations in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRSs, HKASs and interpretations that have been issue but are not yet effective.

HKFRS 9	Financial instruments[3]
HKFRS 15	Revenue from contracts with customers and the related amendments[3]
HKFRS 16	Leases[4]
HK (IFRIC)–Int 22	Foreign currency transactions and advance consideration[3]
Amendments to HKFRSs	Annual improvements to HKFRSs 2014–2016 cycle[2]
Amendments to HKFRS 2	Classification and measurement of share-based payment transactions[3]
Amendments to HKFRS 4	Apply HKFRS 9 "Financial instruments" with HKFRS 4 "Insurance contracts"[3]
Amendments to HKFRS 10 and HKAS 28	Sale or contribution of assets between an investor and its associate or joint venture[5]
Amendments to HKAS 7	Disclosure initiative[1]
Amendments to HKAS 12	Recognition of deferred tax assets for unrealised losses[1]
Amendments to HKAS 40	Transfers of investment property[3]

1 Effective for annual periods beginning on or after 1 January 2017.

2 Effective for annual periods beginning on or after 1 January 2017 or 1 January 2018, as appropriate.

3 Effective for annual periods beginning on or after 1 January 2018.

4 Effective for annual periods beginning on or after 1 January 2019.

5 Effective for annual periods beginning on or after a date to be determined.

HKFRS 9 "Financial instruments"

HKFRS 9 introduces new requirements for the classification and measurement of financial assets, financial liabilities, general hedge accounting and impairment requirements for financial assets.

Key requirements of HKFRS 9 are described below:

- all recognised financial assets that are within the scope of HKFRS 9 are required to be 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 that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are generally measured at fair value through other comprehensive income ("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.

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRSs *(Continued)*

HKFRS 9 "Financial instruments" *(Continued)*

- with regard to the measurement of financial liabilities designated as at fair value through profit or loss ("FVTPL"), 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 attributable to a financial liability's 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 FVTPL is 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 mechanisms currently available in HKAS39. Under HKFRS 9, 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 retrospective quantitative effectiveness test has been removed. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

Based on the Group's financial instruments and risk management policies as at 31 March 2017, application of HKFRS 9 in the future may have an impact on the measurement of the Group's financial assets. In particular, the expected credit loss model may result in early provision of credit losses which are not yet incurred in relation to the Group's financial assets measured at amortised cost.

HKFRS 15 "Revenue from contracts with customers"

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 will supersede the current revenue recognition guidance including HKAS 18 "Revenue", HKAS 11 "Construction contracts" and the related interpretations when it becomes effective.

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRSs *(Continued)*

HKFRS 15 "Revenue from contracts with customers" *(Continued)*

The core principle of HKFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces 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, an entity 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. Far more prescriptive guidance has been added in HKFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by HKFRS 15.

In 2016, the HKICPA issued Clarifications to HKFRS 15 in relation to the identification of performance obligations, principal versus agent considerations, as well as licensing application guidance.

The Directors anticipate that the application of HKFRS 15 in the future may enhance the disclosures and has no material impact on the amounts reported in the Group's consolidated financial statements.

HKFRS 16 "Leases"

HKFRS 16 introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees. HKFRS 16 will supersede HKAS 17 "Leases" and the related interpretations when it becomes effective.

HKFRS 16 distinguishes lease and service contracts on the basis of whether an identified asset is controlled by a customer. Distinctions of operating leases and finance leases are removed for lessee accounting, and is replaced by a model where a right-of-use asset and a corresponding liability have to be recognised for all leases by lessees, except for short-term leases and leases of low value assets.

The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, amongst others. For the classification of cash flows, the Group currently presents upfront prepaid lease payments as investing cash flows in relation to leasehold lands for owned use and those classified as investment properties while other operating lease payments are presented as operating cash flows. Under HKFRS 16, lease payments in relation to lease liability will be allocated into a principal and an interest portion which will be presented as operating cash flows.

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRSs *(Continued)*

HKFRS 16 "Leases" *(Continued)*

Under HKAS 17, the Group has already recognised an asset and a related finance lease liability for finance lease arrangement and prepaid lease payments for leasehold lands where the Group is a lessee. The application of HKFRS 16 may result in potential changes in classification of these assets depending on whether the Group presents right-of-use assets separately or within the same line item at which the corresponding underlying assets would be presented if they were owned.

In contrast to the lessee accounting, HKFRS 16 substantially carries forward the lessor accounting requirements in HKAS 17, and continues to require a lessor to classify a lease either as an operating lease or a finance lease.

Furthermore, extensive disclosures are required by HKFRS 16.

As at 31 March 2017, the Group has non-cancellable operating lease commitments of HK$1,406,000. A preliminary assessment indicates that these arrangements may meet the definition of a lease under HKFRS 16 such that the Group will recognise a right-of-use asset and a corresponding liability in respect of all these leases unless they qualify for low value or short-term leases upon the application of HKFRS 16. In addition, the application of new requirements may result changes in measurement, presentation and disclosure as indicated above. However, it is not practicable to provide a reasonable estimate of the financial effect until the Directors complete a detailed review.

Amendments to HKAS 7 "Disclosure Initiative"

The amendments require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities including both changes arising from cash flows and non-cash changes. Specially, the amendments require the following changes in liabilities arising from financing activities to be disclosed: (i) changes from financing cash flows; (ii) changes arising from obtaining or losing control of subsidiaries or other businesses; (iii) the effect of changes in foreign exchange rates; (iv) changes in fair values; and (v) other changes.

The amendments apply prospectively for annual periods beginning on or after 1 April 2017 with earlier application permitted. The application of the amendments will result in additional disclosures on the Group's financing activities, specifically reconciliation between the opening and closing balances in the consolidated statement of financial position for liabilities arising from financing activities will be provided on application.

The Directors do not anticipate that the application of the other amendments to HKFRSs, HKASs and interpretations will have material impact on the Group's financial performance and position and/or the disclosures set out in these consolidated financial statements.

3. REVENUE

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

	2017	2016
	HK$'000	*HK$'000*
Service income from gaming operation in mass market hall	**777,471**	888,663
Service income from gaming operation in VIP room	**546,366**	527,508
Service income from gaming operation in slot machine hall	**38,207**	35,376
Hotel room income	**99,213**	99,636
Food and beverage sales	**119,423**	129,063
Rental income from investment properties	**23,706**	30,472
Others	**8,794**	10,324
	1,613,180	1,721,042

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 analysis. The Executive Directors review the revenues and operating results of gaming operation as a whole and have identified the operating and reportable segments under HKFRS 8 as gaming operation and hotel operation.

The segment information reported externally is 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 Inn Hotel Macau including property investment income from investment properties in these hotels in Macau

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, fair value changes of investment properties and impairment loss on prepaid lease payments (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 2017

	Gaming operation *HK$'000*	**Hotel operation** *HK$'000*	**Total** *HK$'000*	**Elimination** *HK$'000*	**Consolidated** *HK$'000*
SEGMENT REVENUE					
External revenue	**1,362,044**	**251,136**	**1,613,180**	**–**	**1,613,180**
Inter-segment revenue	**–**	**2,221**	**2,221**	**(2,221)**	**–**
Total	**1,362,044**	**253,357**	**1,615,401**	**(2,221)**	**1,613,180**
Segment result based on the Adjusted EBITDA	**495,307**	**69,803**	**565,110**		**565,110**
Bank interest income					**34,267**
Depreciation of property, plant and equipment					**(126,831)**
Exchange loss at corporate level					**(16,522)**
Release of prepaid lease payments					**(15,507)**
Fair value changes of investment properties					**(16,000)**
Finance costs					**(14,663)**
Profit before taxation					**409,854**

For the year ended 31 March 2016

	Gaming operation *HK$'000*	Hotel operation *HK$'000*	Total *HK$'000*	Elimination *HK$'000*	Consolidated *HK$'000*
SEGMENT REVENUE					
External revenue	1,451,547	269,495	1,721,042	–	1,721,042
Inter-segment revenue	–	2,821	2,821	(2,821)	–
Total	1,451,547	272,316	1,723,863	(2,821)	1,721,042
Segment result based on the Adjusted EBITDA	583,355	88,060	671,415		671,415
Bank interest income					72,876
Depreciation of property, plant and equipment					(148,962)
Exchange loss at corporate level					(114,124)
Release of prepaid lease payments					(15,978)
Fair value changes of investment properties					(67,800)
Impairment loss on prepaid lease payments					(49,034)
Finance costs					(14,365)
Profit before taxation					334,028

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 2017 and 31 March 2016.

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 (2016: one) customer which contributed over 10% of the Group's revenue amounted to HK$1,365,716,000 (2016: HK$1,455,131,000). The revenue related to the gaming operation and the hotel operation.

5. **OTHER LOSSES**

	2017	2016
	HK$'000	*HK$'000*
Loss arising from misappropriation of funds *(note (a))*	**12,900**	–
Exchange loss	**16,522**	114,124
Impairment loss on prepaid lease payments *(note (b))*	**–**	49,034
	29,422	163,158

Notes:

(a) The Group was aware that an ex-senior casino cashier of a subsidiary of the Company in Macau had embezzled some of the chips on hand ("Misappropriation of Funds") of the Group. The matter was reported to The Inspectorate of Macao Judiciary Police and the ex-senior casino cashier was arrested for criminal investigation. Up to the approval date of these consolidated financial statements, the court judgement was obtained and the person has pleaded guilty and is now in prison.

The loss arising from the Misappropriation of Funds amounted to HK$12,900,000 net of HK$100,000 returned by the ex-senior casino cashier, which was charged to the consolidated statement of profit or loss during the Year. Chips on hand under note 10 "Trade and other receivables" were also adjusted downward by the same amount to reflect such loss for the Year.

(b) During the year ended 31 March 2016, impairment indicator of decline in assets' value due to economic downturn was noted in the Inn Hotel Macau. The Directors conducted an impairment assessment on the hotel's property, plant and equipment and prepaid lease payments by reviewing their recoverable amounts. An impairment loss of HK$49,034,000 in respect of prepaid lease payments as at 31 March 2016 had been recognised.

6. PROFIT BEFORE TAXATION

	2017	2016
	HK$'000	*HK$'000*
Profit before taxation has been arrived at after charging:		
Allowance for doubtful debts, net	**–**	560
Commission expenses in gaming operation (included in selling and marketing expenses)	**310,839**	305,528
Depreciation of property, plant and equipment	**126,831**	148,962
Loss on disposal of property, plant and equipment	**–**	836
Release of prepaid lease payments	**15,507**	15,978
and after crediting:		
Bank interest income	**34,267**	72,876
Gain on disposal of property, plant and equipment	**50**	–

7. TAXATION CREDIT (CHARGE)

	2017	2016
	HK$'000	*HK$'000*
Macau Complementary Income Tax		
– current tax	**(53,942)**	(64,659)
– (under)overprovision in prior years	**(4)**	1,446
– reversal of tax provision in prior years	**70,974**	39,837
	17,028	(23,376)
Deferred taxation	**1,768**	13,022
	18,796	(10,354)

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$70,974,000 for the 2011 year of assessment (2016: HK$39,837,000 for the 2010 year of assessment) accordingly.

No provision for Hong Kong Profits Tax is made in the consolidated financial statements in both years as the estimated assessable profit in the current year is wholly absorbed by tax losses brought forward in previous years while there was no assessable profit in the prior year.

8. DIVIDENDS

	2017	2016
	HK$'000	*HK$'000*
Dividends recognised as distribution during the year:		
Final dividend paid in respect of 2016: HK$0.052 per share (2016: HK$0.06 per share in respect of 2015)	**67,732**	78,153
Interim dividend paid in respect of 2017: HK$0.025 per share (2016: HK$0.028 per share in respect of 2016)	**32,564**	36,471
	100,296	114,624

The Board proposed the payment of a final dividend of HK$0.057 per share (2016: HK$0.052 per share) for the year ended 31 March 2017 which is subject to approval by the shareholders of the Company in the forthcoming annual general meeting.

9. EARNINGS PER SHARE

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

	2017	2016
	HK$'000	*HK$'000*
Earnings		
Earnings (profit for the year attributable to the owners of the Company) for the purpose of basic earnings per share	**346,490**	256,224

	2017	2016
Number of shares		
Weighted average number of ordinary shares in issue for the purpose of basic earnings per share	**1,302,545,983**	1,302,545,983

Diluted earnings per share is not presented as the Company does not have any dilutive potential ordinary share for both years.

10. TRADE AND OTHER RECEIVABLES

	2017	2016
	HK$'000	*HK$'000*
Trade receivables	**179,514**	154,241
Less: Allowance for doubtful debts	**(31,009)**	(32,399)
	148,505	121,842
Chips on hand	**121,245**	148,033
Other receivables and prepayments	**17,881**	27,831
	287,631	297,706

10. 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 patterns, 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:

	2017	2016
	HK$'000	*HK$'000*
0-30 days	**126,155**	90,874
31-60 days	**3,951**	16,088
61-90 days	**595**	–
91-180 days	**3,293**	1,980
Over 180 days	**14,511**	12,900
	148,505	121,842

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

11. TRADE AND OTHER PAYABLES

	2017	2016
	HK$'000	*HK$'000*
Trade payables	**17,108**	17,854
Chips in custody and deposits from gaming patrons	**39,396**	20,458
Construction payables and accruals	**12,798**	15,086
Other payables and accruals	**93,096**	94,053
Accrued staff costs	**32,228**	28,491
Short-term advance	**18,000**	18,000
	212,626	193,942

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:

	2017	2016
	HK$'000	*HK$'000*
0-30 days	**7,464**	8,726
31-60 days	**7,137**	8,404
61-90 days	**2,255**	643
91-180 days	**236**	80
Over 180 days	**16**	1
	17,108	17,854

Other payables and accruals mainly include accrued commission expenses in gaming operation, accrued expenses and other deposits.

MANAGEMENT DISCUSSION AND ANALYSIS

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

MARKET REVIEW

Macau's gaming market has witnessed a gradual recovery since August 2016, the month that reversed 26 months of contraction. The recovery momentum has continued to build, as growth is on track to accelerate. During the Year, Macau gaming revenue reported a slight growth of 3.7% to MOP231,421 million. These encouraging signs were underpinned by improvement in gambling appetite, the stabilisation in China's economic growth and the opening of new family-friendly casino resorts. However, the new resorts in Macau's Cotai drew the visits of tourists and leisure players from the Peninsula.

FINANCIAL REVIEW

Overall Review

During the Year, revenue of the Group declined slightly to HK$1,613.2 million (2016: HK$1,721.0 million). Profit for the year attributable to the owners of the Company increased by 35.2% to HK$346.5 million (2016: HK$256.2 million) and such increase was primarily due to: i) reduction in exchange loss on Renminbi deposits and ii) reduction in the loss on fair value changes of investment properties. Basic earnings per share increased to HK$0.27 (2016: HK$0.20). The Board recommended the payment of a final dividend of HK$0.057 (2016: HK$0.052) per share. Together with the interim dividend of HK$0.025 (2016: HK$0.028) per share, the total dividends per share for the Year are HK$0.082 (2016: HK$0.08).

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 ongoing and stable cash inflows. The Group funded its operations and capital expenditure by cash generated internally from its operations.

As at 31 March 2017, aggregate of bank balances and cash, short-term bank deposits and pledged bank deposits of the Group amounted to HK$3,962.2 million (2016: HK$3,546.0 million), which are mainly denominated in Hong Kong dollars and Macau Patacas.

Although the Group recorded an exchange loss after non-controlling interests of HK$10.7 million as a result of the devaluation of Renminbi during the Year, the impact of such exchange loss was wholly offset by bank interest income after non-controlling interests of HK$21.9 million.

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 2017 were HK$4,279.1 million and HK$817.6 million (2016: HK$3,871.8 million and HK$822.6 million), respectively. Advances from non-controlling interests of a subsidiary of the Company amounted to HK$120.8 million (2016: HK$132.0 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 borrowing of HK$469.8 million (2016: HK$507.6 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 partially repaid the advances from non-controlling interests and bank borrowing in aggregate of HK$49.0 million. As a result, the gearing ratio of the Group (expressed as a percentage of total borrowings over total equity) decreased to 10.8% (2016: 12.5%) as of 31 March 2017.

Pledge of Assets

As at 31 March 2017, assets with carrying values of approximately HK$2.3 billion (2016: HK$3.0 billion) were pledged to several banks as security for banking facilities, for a total of approximately HK$569.8 million (2016: HK$1.2 billion) granted to the Group. In addition, the Group has a bank deposit of HK$0.3 million (2016: 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"), in Macau.

GEH, the Group's flagship project, on the Peninsula, is an award-winning 26-storey gaming hotel with a gross floor area of approximately 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. With strong commitment to providing guests with unparalleled entertainment and hospitality experiences, the Group delivers consistently top quality services that translate into high levels of customer satisfaction and loyalty.

Located at the heart of Macau's Taipa Island, IHM is a 17-storey hotel with a gross floor area of approximately 209,000 square feet, and 287 guest rooms. IHM creates comfortable experience for catering the lifestyles of both leisure and business travellers. Through extending coverage from the Peninsula to Taipa, IHM enables the Group to 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. Despite of competition from the new supply of casino resorts, the Group strived to optimise its gaming mix and reinforce its market position. During the Year, the Group's gaming revenue declined slightly to HK$1,362.1 million (2016: HK$1,451.5 million), accounting for 84.4% of the Group's total revenue. As the Group focused marketing efforts towards high-roller gamblers, revenue from VIP room was managed to achieve a growth.

Gaming Concourse

The gross win in the gaming concourse fell to HK$1,391.8 million (2016: HK$1,593.9 million). Revenue from the gaming concourse was HK$777.5 million (2016: HK$888.7 million), accounting for 48.2% of the Group's total revenue. There were 67 tables (2016: 67 tables) in the gaming concourse. Average win per table per day was HK$57,000 (2016: HK$65,000).

VIP Room

The Group self-managed a VIP room with 10 tables (2016: 10 tables), with the rolling amount increased to HK$24.7 billion (2016: HK$22.4 billion). Revenue from VIP room grew by 3.6% to HK$546.4 million (2016: HK$527.5 million), accounting for 33.9% of the Group's total revenue. Average win per table per day increased to HK$263,000 (2016: HK$253,000).

Slot Machines

With a capacity of 170 slot seats (2016: 188 slot seats), the gross win from slot machines increased to HK$80.4 million (2016: HK$77.7 million). Segmental revenue grew by 8.0% to HK$38.2 million (2016: HK$35.3 million), accounting for 2.3% of the Group's total revenue. Average win per seat per day increased to HK$1,307 (2016: HK$1,122).

Hotel Revenue

The Group's hotel revenue derives from the hospitality income of GEH and IHM. The hotel revenue was HK$251.1 million (2016: HK$269.5 million), accounting for 15.6% of the total revenue.

As of 31 March 2017, GEH and IHM provided 307 and 287 guest rooms, respectively. During the Year, the average room rates of GEH and IHM were HK$820 per night (2016: HK$962 per night) and HK$412 per night (2016: HK$491 per night), with occupancy rates of 91% (2016: 89%) and 95% (2016: 85%), respectively. Combined room revenue was HK$99.2 million (2016 HK$99.6 million). Combined revenue from food and beverage was HK$119.4 million (2016: HK$129.1 million), while the aggregate amount of rental and other revenue was HK$32.5 million (2016: HK$40.8 million).

OUTLOOK

Despite signs of stabilisation, the growth of Macau's gaming industry may be restrained by regulatory headwinds, possible yuan depreciation and China's slowing economy. With a massive new supply on the horizon, including the casino developments in Macau and other countries, competition among the gaming operators in the hub will be intensified.

The operators have been shifting focus to tourists and recreational gamblers by adding more non-gaming facilities. The inauguration of upcoming large-scale tourism projects, improvements in cross-border connectivity and domestic infrastructure developments including the under-construction light rail system, will be the catalysts for Macau's gaming industry. The Group is cautiously optimistic towards the long term prospects of Macau, riding on its solid fundamentals and long-withstanding position as a premier global gaming and entertainment destination. The Group remains committed to enhance its overall efficiency and strengthen its market position through capitalising on its competitive edges, including a strong network of quality customers and an exquisite customer service. Leveraging on its core competencies, the Group plans to pursue expansion opportunities in the market and create value for the shareholders.

EMPLOYEES AND REMUNERATION POLICY

As at 31 March 2017, the Group's number of employee was 1,196 (2016: 1,234). Total staff costs including Directors' remuneration and the other staff costs for the Year were HK$435.2 million (2016: HK$449.0 million). Employees' remuneration was determined in accordance with individual's responsibilities, 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 has adopted a share option scheme, particulars of which 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$0.057 (2016: HK$0.052) per share ("Final Dividend") for the Year, amounting to approximately HK$74,245,000 (2016: HK$67,732,000). The Final Dividend, if being approved at the forthcoming annual general meeting of the Company ("AGM"), will be paid on 15 September 2017 (Friday) to shareholders whose names appear on the register of members of the Company on 1 September 2017 (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 17 August 2017 (Thursday)
Record date	18 August 2017 (Friday)
AGM	24 August 2017 (Thursday)

For ascertaining shareholders' entitlement to the proposed Final Dividend

Latest time to lodge transfers	4:30 p.m. on 30 August 2017 (Wednesday)
Book close dates	31 August and 1 September 2017 (Thursday and Friday)
Record date	1 September 2017 (Friday)
Final Dividend payment date	15 September 2017 (Friday)

In order to qualify 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 respective latest time.

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 2017 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 has adopted its own code of conduct regarding securities transactions by Directors ("EEH Securities Code") on no less exacting terms than the required standards set out in Appendix 10 of the Listing Rules – Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code"). 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 and the EEH Securities Code throughout the Year.

Relevant employees who are likely to be in possession of unpublished price-sensitive information of the Group are also subject to compliance with written guidelines in line with the Model Code. No incident of non-compliance by relevant employees was noted 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.hkexnews.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, 21 June 2017

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:	Mr. Yu King Tin Ms. Kwan Shin Luen, Susanna Ms. Lai Ka Fung, May