



英皇集團（國際）有限公司
Emperor International Holdings Limited

Incorporated in Bermuda with limited liability (Stock Code:163)



ANNUAL REPORT
2014/2015

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Directors

Luk Siu Man, Semon* (*Chairperson*)
Wong Chi Fai (*Managing Director*)
Fan Man Seung, Vanessa (*Managing Director*)
Cheung Ping Keung
Liu Hing Hung**
Cheng Ka Yu**
Wong Tak Ming, Gary**
* Non-executive Director
** Independent Non-executive Directors

Company Secretary

Liu Chui Ying

Audit Committee

Wong Tak Ming, Gary (*Chairman*)
Liu Hing Hung
Cheng Ka Yu

Remuneration Committee

Liu Hing Hung (*Chairman*)
Wong Chi Fai
Cheng Ka Yu

Nomination Committee

Cheng Ka Yu (*Chairperson*)
Fan Man Seung, Vanessa
Wong Tak Ming, Gary

Corporate Governance Committee

Fan Man Seung, Vanessa (*Chairperson*)
Liu Hing Hung
Wong Tak Ming, Gary
a representative of company secretarial function
a representative of finance and accounts function

Executive Committee

Wong Chi Fai (*Chairman*)
Fan Man Seung, Vanessa
Cheung Ping Keung

Auditor

Deloitte Touche Tohmatsu

Investor Relations Contact

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Stock Code

Hong Kong Stock Exchange: 163

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Registrar (in Bermuda)

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Bermuda

Registrar (in Hong Kong)

Tricor Secretaries Limited
Level 22, Hopewell Centre
183 Queen's Road East
Hong Kong

Principal Bankers

Bank of China (Hong Kong) Limited
Bank of China Limited, Macau Branch
Bank of Communications Co., Ltd.
Chong Hing Bank Limited
Hang Seng Bank Limited
Industrial and Commercial Bank of China (Asia) Limited
The Bank of East Asia, Limited
The Hongkong and Shanghai Banking Corporation Limited
OCBC Wing Hang Bank Limited

American Depositary Bank

BNY Mellon Shareowner Services
P.O. Box 30170
College Station, TX 77842-3170

Key Dates

Annual Results Announcement	24 June 2015
Book Close Dates	
– For 2015 AGM	17 and 18 August 2015
– For Final Dividend	25 and 26 August 2015
Record Dates	
– For 2015 AGM	18 August 2015
– For Final Dividend	26 August 2015
2015 Annual General Meeting	18 August 2015
Payment of Final Dividend	17 September 2015 (HK\$0.06 per share)

Corporate Communications

This Annual Report (in both English and Chinese versions) is available to any shareholder either in printed form or on the websites of The Stock Exchange of Hong Kong Limited (<http://www.hkex.com.hk>) and the Company. In order to protect the environment, the Company highly recommends the shareholders to elect to receive electronic copy of this Annual Report. Upon written request, a free printed version of Corporate Communication will be sent to the shareholders who have elected to receive electronic copies but for any reason have difficulty in receiving or gaining access to any Corporate Communication through the Company's website. Shareholders may have the right to change their choice of receipt of our future Corporate Communications at any time by reasonable notice in writing to the Company or the Company's Hong Kong Branch Share Registrar, Tricor Secretaries Limited, by post or by email at is-enquiries@hk.tricorglobal.com.

For the year ended 31 March

	2015 HK\$'000	2014 HK\$'000	Changes
Revenue			
Lease of properties	730,497	639,276	+14.3%
Properties development	12,750	60,005	-78.8%
Hotel and hotel related operations	2,078,226	2,314,616	-10.2%
Total revenue	2,821,473	3,013,897	-6.4%
Gross profit	2,124,427	2,386,757	-11.0%
Revaluation gain on investment properties	737,708	1,385,251	-46.7%
Total segment profit (excluding revaluation gain)	1,249,067	1,494,273	-16.4%



Russell Street,
Hong Kong

Supported by the solid leasing demand for retail premises at the key tourist areas in Hong Kong and resilient private consumption, the overall rental levels in prime shopping areas in Hong Kong remained steady.

Emperor International Holdings Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) principally engage in property investments, property development and hospitality in the Greater China and overseas.

Market Review

The global marketplace continued to face various uncertainties for the year ended 31 March 2015 (the “Year”). The U.S. economy stayed on a recovery trend, while economic performance in the eurozone and Japan stabilised after the release of quantitative easing programmes. The global financial markets have experienced great volatility, with changing market conditions arising from competitive devaluations of other currencies as a result of the strengthening of the U.S. dollar and potential interest rate hikes in the U.S.

The Hong Kong property market has been facing challenges as a result of economic and property-related policies. Nevertheless, buying sentiment improved and primary transaction volume saw favourable growth. The growth was predominantly driven by solid demand from end-users, with an ongoing increase in household formation and rising personal income, in addition to more new project launches. Supported by the solid leasing demand for retail premises at the key tourist areas in Hong Kong and resilient private consumption, the overall rental levels in prime shopping areas in Hong Kong remained steady.

In November 2014, developments such as the establishment of the Shanghai-Hong Kong Stock Connect Scheme and the removal of the Renminbi (“RMB”) daily conversion limit of RMB20,000 for Hong Kong residents, which again cemented Hong Kong’s position as a global hub for RMB trade settlement induced more business travel to Hong Kong. Hence, market demand for hotel accommodation for business travellers and tourists remained strong.

Financial Review

Overall Review

During the Year, the Group reported revenue of HK\$2,821.5 million (2014: HK\$3,013.9 million). Rental income from the Group’s investment properties portfolio was resilient, as a result of the properties being in prime locations; they delivered growth of 14.3% to HK\$730.5 million (2014: HK\$639.3 million), representing 25.9% (2014: 21.2%) of total revenue, in spite of some of these properties remaining vacant during the Year, pending redevelopment for transformation to create better potential returns in the near future. Due to a softening in demand for gaming and hospitality services in Macau, revenue from the hospitality segment was HK\$2,078.2 million (2014: HK\$2,314.6 million), accounting for 73.7% (2014: 76.8%) of the total revenue.


Gross profit was HK\$2,124.4 million (2014: HK\$2,386.8 million). Revaluation gain on investment properties during the Year decreased to HK\$737.7 million (2014: HK\$1,385.3 million). The total segment profit excluding revaluation gain on investment properties was HK\$1,249.1 million (2014: HK\$1,494.3 million). Profit for the year attributable to owners of the Company was HK\$898.1 million (2014: HK\$1,858.1 million). Such decrease was mainly attributable to (1) a significantly lesser gain on fair value arising from the revaluation of the investment properties of the Group for the Year; and (2) the increase in the overall operating expenses and finance cost.

Basic earnings per share was HK\$0.24 (2014: HK\$0.51). The board of directors of the Company (the “Board” or “Directors”) recommended the payment of a final dividend of HK\$0.06 (2014: HK\$0.059) per share. Together with the interim dividend of HK\$0.05 (2014: HK\$0.055) per share, the total dividends for the Year are HK\$0.11 per share (2014: HK\$0.114).

Liquidity And Financial Resources

The Group owned a key property portfolio with an area of over 5 million square feet. As at 31 March 2015, the Group’s net asset value and net asset value per share amounted to HK\$25,558.9 million (2014: HK\$24,952.6 million) and HK\$6.96 (2014: HK\$6.80) per share respectively.

The Pulse, Hong Kong



The Group has cash, bank balances and bank deposits amounted to HK\$3,807.6 million as at 31 March 2015 (2014: HK\$3,194.2 million). The total external borrowings (excluding payables) amounted to approximately HK\$16,959.6 million (2014: HK\$13,685.9 million) and the Group's debt to total asset ratio was 34.6% (2014: 31.6%) (measured by total external borrowings as a percentage to the total asset value of the Group). In addition to its share capital and reserves, the Group made use of cash flow generated from operations, bank borrowings, unsecured notes and unsecured loans from a related company to finance its operation. During the Year, the Company issued unsecured notes of HK\$2,950.0 million for the purpose of providing general working capital to the Group. Such notes carry fixed coupon rate of 5% per annum, payable semi-annually in arrears. HK\$1,650.0 million of such notes become repayable by July 2017 and the remaining HK\$1,300.0 million of such notes will be repayable between February and March 2020. The Group's bank borrowings were denominated in Hong Kong dollars and RMB and their interest rates followed market rates. The Group's bank balances and cash were also denominated in Hong Kong dollars, RMB and Macau Pataca ("MOP"). Since RMB and MOP are relatively stable with minor exchange fluctuations, the Group had limited and immaterial exposure to fluctuations in exchange rates.

Business Review

Investment Property

During the Year, the overall occupancy rate of the Group's retail properties was over 99%, attributable to the majority of its premises being in prime locations.

Hong Kong – Retail Premises

The Group owns many premium investment properties, with a strong focus on street level retail space at the renowned shopping districts in Hong Kong. Key investment properties include the retail spaces at **Nos. 8, 20 and 50-56 Russell Street, No. 76 Percival Street** and **Nos. 507, 523 Lockhart Road** in Causeway Bay, **Nos. 4, 6 and 8 Canton Road, No. 81 Nathan Road, Nos. 35-37 Haiphong Road** and **Nos. 25-29, 43-49A Hankow Road** in Tsim Sha Tsui, **Fitfort Shopping Arcade** in North Point and **New Town Mansion Shopping Arcade** in Tuen Mun. The positive rental reversions and nearly full occupancy rate and continued capital appreciation once again demonstrate the Group's expertise in value enhancement for its investment properties. During the Year, **Nos. 22-24 Russell Street** was under redevelopment, pending to be transformed into an upscale streetscape that would be re-launched in mid-2015. It has been pre-leased to La Perla, an Italian luxury lingerie brand, on a whole block basis, as La Perla's largest flagship store worldwide.



During the Year, **The Pulse** was soft-launched to the market. It is a 4-storey shopping complex with a gross floor area of approximately 167,000 square feet, in Repulse Bay, one of the world's most famous tourist spots, boasting the most dazzling beach in Hong Kong. **The Pulse** is differentiated from typical shopping malls in urban areas through being a hot-chic beach-front lifestyle complex, offering a unique experience that combines gourmet dining, 3D visual art museum, lifestyle merchandise, gymnasium, kidszone, playgroup and premier superstore. A fresh, fun, exciting and family-friendly image will help it stand out amongst Hong Kong's shopping malls. Pre-marketing promotion was conducted through channels including social and print media, plus outdoor and mobile advertising.

During the Year, the Group acquired a 7-storey (including basement) retail and office complex located at **Nos. 181-183 Oxford Street, London**, with a total floor area of approximately 13,000 square feet. Subsequent to the Year, the Group further acquired a 8-storey (including basement) retail and office complex located at **Nos. 25-27 Oxford Street, London**, with a floor area of approximately 12,000 square feet. Such acquisitions mark significant milestone for the Group to expand its property investment portfolio beyond the Greater China. Located at a prominent shopping hub in London, which is one of the popular tourist spots for international visitors, the Group is optimistic towards the potential rental increment and capital appreciation in the long-term.

Hong Kong – Office, Commercial & Residential Complexes

In addition to the above-mentioned retail spaces, the Group owns **Emperor Group Centre** and a commercial complex at **No. 60 Gloucester Road** in Wan Chai. The renovation and upgrading of the office tower of **No. 60 Gloucester Road** has been going ahead as planned during the Year. During the Year, the Group acquired **Empire Land Commercial Centre** in Wan Chai, **New Media Tower** in Kwun Tong, along with the complex at **Nos. 45-51 Kwok Shui Road** in Kwai Chung. These acquisitions can further diversify the Group's investment properties portfolio, hence increasing the rental revenue base. The Group anticipates achieving steady income growth through leveraging the balanced retail and office portfolio. During the Year, the Group also acquired land at **Nos. 17-19 Yik Yam Street**, in Happy Valley. It has a total developable floor area of approximately 16,500 square feet, and it is planned to be developed into 21-storey residential complex with 60 units for leasing-out, with anticipated completion in 2017. The area is vibrant, conveniently located near Hong Kong's commercial districts and affording easy access to Hong Kong Jockey Club and Hong Kong Stadium for international sports events, and Hong Kong Sanatorium & Hospital for medical check-ups, helping to ensure solid short-term leasing demand.

Macau

In Macau, construction work at **Nos. 71-75 Avenida do Infante D. Henrique & Nos. 514-540 Avenida da Praia Grande** was in progress. Located at the city-centre shopping spot on the Peninsula, a traditional tourist and gaming area in Macau, it will become a signature complex in the town.

The PRC

In the PRC, work was in progress during the Year on the superstructure of the prime commercial site on **Chang'an Avenue East**, Beijing ("Beijing Property"). The site is set to be developed into a Grade-A office tower, with a gross floor area of approximately 1,000,000 square feet. The development will include multi-storey retail podium, entertainment hot spots and parking facilities, which will become another landmark building along this prominent street of the PRC's capital city in 2016. The acquisition of the Beijing Property ("Acquisition") including other costs payable relating to the Beijing Property was financed by the top-up placing ("Top-up Placing") by the Company in 2006, the bank borrowings and the internal resources of the Group. Due to the disputes with the vendors of 70% effective interest of the Beijing Property, the consideration of RMB160 million has been withheld pending the determination or resolution of such disputes and all the net proceeds raised from the Top-up Placing have been fully utilized as intended for the Acquisition and other costs relating to the Beijing Property.

Located in Yuyuan, Huangpu District, Shanghai, **Emperor Star City** will be developed into a shopping arcade and hotel or serviced apartment complex, at a prime site adjacent to the Shanghai M10 subway route. Foundation and basement excavation work for the development has been completed. With an expected gross floor area of approximately 1,300,000 square feet, the complex will include a multi-storey shopping arcade as its major component. The Group expects that upon completion, this project will generate substantial and stable rental revenue.

Office tower at
Chang'an Avenue
East, Beijing
(image photo)



Property Development

There is good progress with the Group's various development projects. **Upton**, a 42-storey luxury residential tower with panoramic views of Victoria Harbour, is on schedule for completion in the second half of 2015. It has a total floor area of approximately 185,000 square feet, with 125 flats. Its superstructure work was completed during the Year, and pre-sale commenced in December 2014. There was an overwhelming market response, and nearly 70% of the flats have been sold as at 31 March 2015. The related sales proceeds will be recognised in the financial year of 2015/16.

Another site, at **Tuen Mun Town Lot No. 436, Kwun Fat Street, Siu Lam**, Tuen Mun, with a total floor area of approximately 39,000 square feet, will be developed into 14 low-rise detached or semi-detached houses. During the Year, site formation was in progress as planned. The entire project is expected to be completed in 2015.

A residential site with a sea view, at **Tuen Mun Town Lot No. 490, Tai Lam**, Tuen Mun, with a total floor area of approximately 29,000 square feet, will be developed into a low-rise luxurious development comprising a mixture of detached houses and apartments. This project is expected to be completed in mid-2018. This site, together with the site in **Siu Lam**, will be well served by a superb transportation network of Hong Kong–Shenzhen Western Corridor as well as the future Tuen Mun–Chek Lap Kok Link and Hong Kong–Zhuhai–Macau Bridge. The sites are also close to Harrow International School Hong Kong, the Hong Kong branch of the prestigious, UK-based Harrow School.



During the Year, the Group won the bid for a luxury residential site at **Rural Building Lot No. 1198, Shouson Hill**, Hong Kong, by teaming up with two partners. The site has a total area of approximately 117,000 square feet. This development opportunity is very precious as it is in a traditional luxury residential area. It is planned to be developed into 20 low-density luxury houses, with comprehensive auxiliary facilities. This acquisition will enable the Group to optimise the land bank portfolio, with better capital appreciation in the near future. The entire project is expected to be completed in mid-2018.

Subsequent to the Year, the Group won the bid for a residential site at **New Kowloon Lot No. 6538, Fuk Wing Street, Sham Shui Po**, Kowloon, and will undertake an urban redevelopment project with a total floor area of approximately 54,000 square feet. It is planned to be redeveloped into a 26-storey residential tower with 138 flats, with target completion scheduled in 2018.

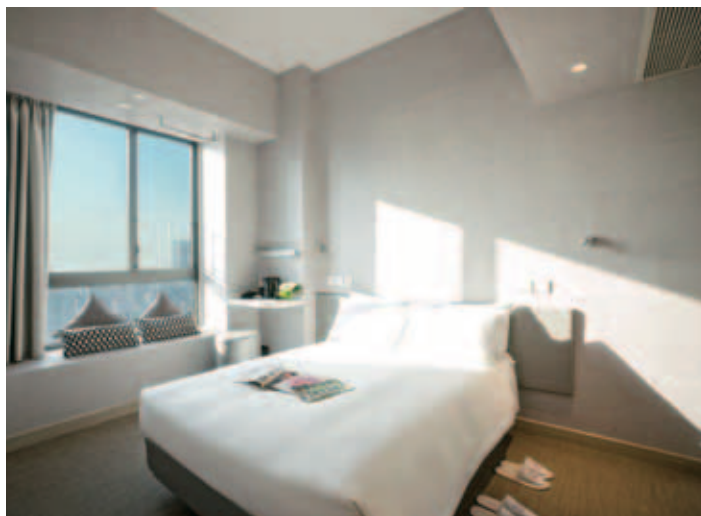
Hotel Operations and Related Services

Dedicated to the Group's ongoing efforts and comprehensive development of hotel operations, **Emperor Hotels Group** was newly established during the Year, covering several hotels and serviced apartments in Hong Kong and Macau. **Emperor Hotels Group** is a multi-faceted brand with an emphasis on premium quality, delivering outstanding amazing services, fabulous food and an unrivalled hospitality experience. In Hong Kong, it currently covers **Emperor (Happy Valley) Hotel, Inn Hotel Hong Kong, MORI MORI Serviced Apartments** and a new hotel development project in Wan Chai. In Macau, it covers **Grand Emperor Hotel** and **Inn Hotel Macau** (to be renamed from Best Western Hotel Taipa), where income from hospitality and gaming has been consolidated with the Group.

Located in Happy Valley, **Emperor (Happy Valley) Hotel** is the Group's flagship project, with the classic beauty of European architecture and décor. It is a 26-storey hotel offering 150 guest rooms with a gross floor area of approximately 84,000 square feet. Golden Valley, a restaurant offering Cantonese and Sichuan cuisine in the hotel, has been awarded Michelin 1-star for the fifth consecutive year.

Construction of **Inn Hotel Hong Kong** in Yau Ma Tei, Kowloon, was completed during the Year. With a gross floor area of approximately 48,000 square feet, it is a 30-storey hotel offering 200 guest rooms. Easy access to established shopping areas and Ladies' Market in Mong Kok, as well as Jade Market in Yau Ma Tei, it is conveniently located in a major entertainment, shopping and dining district, ensuring guests will truly experience Hong Kong as a vibrant and fascinating city. It opened in April 2015.

Inn Hotel
Hong Kong



Situated at the vibrant junction of Wan Chai and Causeway Bay, **MORI MORI Serviced Apartments** provides 18 stylish serviced apartments for expats, MICE visitors, business travellers and overseas professionals on short and long term leases. With state-of-the art facilities and professional customer services, **MORI MORI Serviced Apartments** redefines the contemporary way of living.

Meanwhile, foundation and superstructure work at **No. 373 Queen's Road East**, Wan Chai, were in progress during the Year. With a gross floor area of approximately 115,000 square feet, it will be developed into a 29-storey hotel offering 300 guest rooms as well as leisure, dining and parking facilities. The hotel is expected to be completed in 2016. It will be regarded as a signature hotel project under **Emperor Hotels Group**, which can further enhance brand recognition in the hospitality segment.

Grand Emperor Hotel ("GEH") is another of the Group's flagship projects, located on the Peninsula, Macau. With a gross floor area of approximately 655,000 square feet, it is a 26-storey hotel with 307 exquisite guest rooms, fine dining restaurants and bars, as well as gaming facilities. It has won an array of prestigious industry awards.

Inn Hotel Macau is a 17-storey hotel with total gross floor area of approximately 209,000 square feet, and 285 guest rooms. Through extending coverage from the Peninsula to Taipa, the Group can fully capture the potential of Macau's hospitality market.

Outlook

The Group's rental income is expected to steadily increase, with overall positive rental reversions as well as sustained high occupancies and contributions from new investment properties. Given the solid leasing demand in key tourist areas and resilient private consumption, the Group believes that the growth of rental revenue will be robust, and this rental income will continue to be the key revenue growth driver in the long-run. **The Pulse** creates a unique and diverse shopping and lifestyle experience for different target customer groups and becomes a signature lifestyle image zone on the south coast of Hong Kong Island. The whole block at **Nos. 22-24 Russell Street** in Causeway Bay will be leased to Italian luxury lingerie brand La Perla in mid-2015, becoming its largest flagship store worldwide. Such transformation will once again demonstrate the Group's successful story of value creation and enhancement of the intrinsic value of the existing investment properties portfolio, resulting from conversion and upgrading both property and tenant quality. Meanwhile, the Group will continue to source quality and upscale investment properties with good potential in Greater China, to enhance its investment portfolio and optimise the balance between retail and non-retail premises.

The residential market is anticipated to remain positive, given the solid demand from end-users, with continuous growth in household formation and rising personal incomes. The Group is building a steady development projects pipeline for providing long-term contributions through the sale of residential units. **Upton** and the luxury residential site at **Shouson Hill** once again demonstrate the Group's strategic focus on premium residential projects on Hong Kong Island. Looking ahead, the Group will continue to replenish its land bank for strengthening earnings and shareholders' value.

Upcoming cross-border infrastructure developments – the Hong Kong-Zhuhai-Macau Bridge and Guangzhou-Shenzhen-Hong Kong Express Rail Link – will make travel between the mainland and Hong Kong more efficient and flexible, encouraging increased traffic flows. With growing market demand for hotel accommodation of business travellers and tourists, the Group is further expanding the hotel operations business. The Group believes that the hotel to be inaugurated at **No. 373 Queen's Road East**, Wan Chai will serve as an attractive alternative for business travellers and regional tourists. The Group will continuously review and improve the service quality, to meet the needs of customers.

Supported by ongoing large-scale infrastructure construction and gradually increasing income levels, the economy in Hong Kong is expected to continue growing at a moderate pace in 2015/2016. The Group remains prudent in seeking investment opportunities to enhance shareholders' returns. With its management execution strength and market insight, the Group will strive to further enhance its competitive position, and aim to become a key property player in the Greater China region.

Employees and Remuneration Policy

The total cost incurred for staff including Directors' emoluments amounted to HK\$648.5 million during the Year (2014: HK\$570.1 million). The number of staff was 1,733 as at the end of the Year (2014: 1,674). Employee's 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 staff, the Company has adopted share option schemes, details of which are set out in the section headed "Share Options" on pages 117 to 119.

Assets Pledged

As at 31 March 2015, assets with carrying value of HK\$39,355.4 million (2014: HK\$33,786.5 million) were pledged as security for banking facilities.

Other Information

Acquisition of subsidiaries

- (i) On 10 October 2014, the Group entered into the sale and purchase agreement with independent third parties in relation to the purchase of Bondwell Limited ("Bondwell") that ultimately held Empire Land Commercial Centre in Wan Chai and the entire amount of the loan due and payable by Bondwell to the vendors at a total consideration of approximately HK\$818.9 million. The transaction constituted a discloseable transaction of the Company under the Listing Rules and was completed on 18 December 2014.
- (ii) On 3 October 2014, the Group entered into the sale and purchase agreement with independent third parties in relation to the purchase of Fine Gene Company Limited ("Fine Gene") that ultimately held Nos. 45-51 Kwok Shui Road in Kwai Chung and the loan due from Fine Gene to the vendors / intermediate holding company of Fine Gene at the aggregate consideration of approximately HK\$418 million. The transaction constituted a discloseable transaction of the Company under the Listing Rules and was completed on 2 January 2015.
- (iii) On 23 December 2014, the Group entered into the sale and purchase agreement with New Media Group Limited in relation to the purchase of Jade Talent Holdings Limited ("Jade Talent") that ultimately held New Media Tower in Kwun Tong and the shareholder's loan due from Jade Talent to the vendor. The consideration for the transaction was HK\$414.7 million. This transaction constituted a discloseable and connected transaction of the Company under the Listing Rules and was completed on 27 February 2015.
- (iv) On 26 February 2015, the Group entered into the legal-binding memorandum of understanding with independent third parties in relation to the purchase of Apex Delight Holdings Limited ("Apex Delight") that ultimately held Nos. 75-79 Lockhart Road in Wan Chai ("Wanchai Property") and the loan due and payable by Apex Delight to the vendors at the total consideration of HK\$683 million for the Wanchai Property and approximately HK\$64 million for the receivable in relation to the Wanchai Property. This transaction constituted a discloseable transaction of the Company under the Listing Rules and was completed on 15 June 2015.

The Group has always upheld the principle of sustainability, and strictly adhere to high standards of corporate social responsibility. The Group recognises the needs of its stakeholders and values their concerns regarding the Group's sustainable development as well as its business. Regular communications with stakeholders help ensure a better understanding of their expectations regarding the Group. The Group makes ongoing efforts to guarantee the implementation of different regulations and policies on sustainability during its daily operations.

This report aims to provide the Group's stakeholders with an overview of the Group's efforts regarding environmental, social and governance impacts arising from its daily operations.

Workplace Quality

Workforce

The Group sees its employees as its most valuable asset. It has always been committed to striving for a fair working environment and becoming a preferred employer that cares for its employees. Equal career opportunities for employees and life-long training are provided, while the pursuit of career goals is emphasised and work-life balance is placed as a top priority for all staff members.

As at 31 March 2015, the permanent employees of the Group totalled 1733, working in the headquarters in Hong Kong, regional offices in Macau and the PRC as well as the hotel and hotel related operations in Hong Kong and Macau. The demographics of the Group's workforce (as at 31 March 2015) are summarised below:

By Region		Age Distribution	
Hong Kong	25%	≤25	14%
Macau	30%	26-35	33%
The PRC	35%	36-45	24%
Others	10%	46-55	20%
		≥56	9%
	100%		100%

The Group has a diverse workforce in terms of gender and age, providing a variety of ideas and levels of competency that contribute to the Group's success. The Group is firmly committed to gender equality, and therefore particularly encourages female participation in the Board, and at managerial and operational level. Women represent approximately 54% of the total employees in the Group. During the Year, the turnover rate of the Group stayed low, demonstrating stability in the workforce.

The management believes that people are important assets for the Group, and therefore implements equality measures to retain staff in the long term. As at 31 March 2015, approximately 34% of the staff have worked for the Group for five years or more.

Health and Safety

The Group prides itself on providing a safe, effective and congenial work environment. Adequate arrangements, training courses and guidelines are implemented to ensure the working environment is healthy and safe. An office memo on occupational health and safety is issued to each staff member as they commence employment. Workshops and seminars on different topics were held during the Year, to present the latest information and raise awareness of occupational health and safety issues for employees in offices, hotels and project sites.

All construction work is carried out by construction workers via outsourced contractors. All contractors engaged by the Group are obliged to follow the Group's environmental and safety policies. They are given a safety briefing to ensure safety measures are strictly followed. The rate of accidents and injuries during the Year, as reported by the engaged contractors, remained at low level.

The Group proactively identifies potential occupational hazards to reduce staff exposure to accidents. Employees assigned to work on construction sites are required to observe additional safety guidelines. In hotel operations, all restaurants staff are required to wear antiskid shoes and anti-cutting gloves to prevent injuries. Every case of injury (if any) is required to be reported to the Group Human Resources Department and be individually assessed under the internal guideline procedures.

The Group values the health and well-being of staff. In order to provide employees with health coverage, staff are entitled to benefits including medical and life insurance as well as other competitive fringe benefits.

Development and Training

To promote long-term career development for staff, the Group strongly supports staff participation in training programmes organised by external professional bodies, and provides funds and subsidies to staff based on their career development needs. During the Year, staff enrolled in training programmes organised by professional institutions such as the Hong Kong Institute of Architects, the Hong Kong Institute of Surveyors, the Chartered Institute of Building and the Royal Institution of Chartered Surveyors to enhance their architectural and surveying professions.

In hotel operations, various training courses are regularly conducted to promote occupational safety, personal and food hygiene, fire and emergency response, first aid and customer serving skills. The Group also provides professional training programmes to its frontline staff under the Macao Occupational Skills Recognition System ("MORS") certification scheme, to enhance their occupational proficiencies. As at 31 March 2015, around 150 frontline staff had obtained MORS certifications in accordance with their professions: assistant cook, Chinese dim sum and cuisine, bartender, bell attendant, front desk agent, guest relations officer, room attendant, security officer, waiter/waitress of western restaurant and Chinese restaurant.

During the Year, the Group dedicated around 20,536 hours to staff training, representing approximately 12 hours per employee.

The Group believes that maintaining a work-life balance is essential for sustainability and a sound body and mind for every employee. To support employees in maintaining work-life balance, the Group actively provides a variety of charitable and staff-friendly activities for employees, such as sports day, cookery class, tree-planting day and team-building activities. All these activities help to strengthen relationships between employees, and promote a healthy and harmonious working environment.

Environmental Protection

As one of the highly recognised developers in Hong Kong, the Group always prioritises environmental protection, and believes business growth and environmental sustainability are interrelated. In adhering to the constant pursuit of green management, the Group has introduced green measures in its offices, hotels and construction sites to reduce waste and promote efficient use of resources. The Group has also actively taken up its corporate responsibility to promote carbon footprint reduction and minimise global warming by adopting various green practices.

Use of Resources

Global warming and climate change are among the major environmental problems in every part of the world. Several measures have been implemented in order to mitigate emissions produced by the Group's offices, such as minimising use of chiller units during night-time, using LED lamps, switching off passenger lifts after office hours, etc. Also, the Group prefers energy-saving appliances with energy labels when purchasing essential equipment for projects, and installs high efficiency LED lighting to reduce energy use and carbon emissions.

For the hospitality business, the Group is devoted to providing a green experience for customers, by promoting efficient use of resources and adopting green technologies. The Group has implemented the following environmental initiatives, and achieved positive results, with obvious improvements in energy efficiency:

- Reusing waste heat, generated from the heat recovery air-conditioning system, for the boiler;
- Adopting cooling tower systems to maximise chiller energy efficiency;
- Using lift energy-saving devices;
- Installing eco-light bulbs;
- Ensuring proper steam leakage and insulation management;
- Shutting-off lighting and air-conditioning when a guest room is not in use;
- Installing thermostats with outdoor temperature sensors, to maintain and control room temperature at a desired energy efficient level; and
- Installing ventilation fan controls in kitchen areas.

During the Year, GEH received the Macao Green Hotel Silver Award, organised by the Macao Environmental Protection Bureau and the Macao Government Tourist Office. The recognition demonstrates the Group's commitment and continuous efforts in environmental protection by adopting green initiatives in the hotel.

The Environment and Natural Resources

Creating a paperless working environment not only reduces environmental damage but also fits commercial goals, as it can save physical space, facilitate information sharing via IT networks, and reduce complicated documentation procedures. In recent years, the Group has implemented paperless processing in its internal communications, including for employee time sheets, payrolls, finance and stock control. Moreover, duplex printing and copying has become the norm within the Group, greatly reducing paper consumption and saving costs. Data on printing is regularly collected and assessed, to monitor the efficiency of the paperless environment.

Additionally, the Group incorporated various environmental initiatives in its hotel operations to minimise waste generation. The Group participates in soap recycling programme organised by the University of Hong Kong, enabling the distribution of recycled soap to underprivileged communities, and collects reusable items and materials such as box files, cartons, and linen. In addition, shower gel bottles are reused after special hygiene treatment. In an effort to transform waste into valuable resources, the Group separates paper, aluminium cans, glass, metal, plastic bottles and surplus food from the waste, to maximise recycling.

Green Construction

Apart from daily office and operational practices, the Group endeavours to build up a green living environment by pursuing green building certification for its ongoing projects, and extends its commitment to environmental protection to other parts of the society.

Construction processes are strictly supervised according to the guidelines of Hong Kong's Building Environmental Assessment Method ("BEAM"). During the Year, six of the Group's projects in Hong Kong were green certified buildings under BEAM or BEAM Plus. In the PRC, Emperor Group Centre in Beijing was awarded Leadership in Energy & Environmental Design (LEED) Core and Shell (CS) Gold Class, demonstrating the Group's commitment to delivering a green and clean working environment in commercial projects, and further strengthening the Group's leading position in environmentally friendly property development. The Group will continue to ensure there is a high percentage of green certified buildings among the Group's projects.

Operating Practices

Supply Chain Management

During the Year, the Group engaged more than 400 contractors and suppliers for property projects in Hong Kong, Macau and the PRC. The Group places high importance on quality of its operations and products. To maintain a high standard as a responsible developer, the Group sets rules and policies on the selection of suppliers, contractors and tenderers, and it always works closely with third-parties. This is to maintain high reputation and customer satisfaction on the Group's services and products.

The Group believes that the key to sustainable business development is to be detail-oriented and deliver customer care from the heart. The Group aims to deliver the highest possible quality for its customers, while expecting the same quality from selected tenderers. Thus, the Group has a strict process for selecting tenderers. During the tendering procedure, tenderers are requested to submit their environmental plan, quality control plan and safety plan as key factors for consideration. In the outsourcing process, company history, industry reputation and past job references are taken into consideration before choosing reliable suppliers. Site visits ensure the selected contractors meet the Group's safety standards and product quality. Visits to production sites by inspection staff are made regularly, and weekly progress reports are provided to the quality control team, to ensure high standards are met. Professional consultants, such as architects and engineers, are also hired to inspect sites on request, and provide specific professional advice.

As for hotel operations, the Group works closely with a number of suppliers in providing a range of hospitality goods, including guestroom consumables, tableware, furniture and food and beverage. The selection of suppliers is based on criteria such as quality, price, delivery timeliness, supplier's capability and experience, with preference be given to those who demonstrate their environmental commitment.

Customer Services

Customer relationships help the Group to better understand its markets. To improve the Group's overall operation performance via monitoring customer satisfaction, questionnaires are used to collect customer feedback. Occasional courtesy calls and visits are made to agents, for comments and recommendations.

The Group places utmost importance on protecting the privacy of all our customers, partners and staff in the collection, processing and use of their personal data. The Group adheres to the applicable data protection regulations and ensures appropriate technical measures are in place to protect personal data against unauthorised use or access. The Group also ensures that customers' personal data is securely kept and processed only for the purposes for which it has been collected. Documents showing customers' details are properly put in records, and destroyed after use with in-house shredding machines or by external contractors, with proof of shredded documents.

Protection of Intellectual Property

To protect the Group's intellectual property rights, the Group has registered its domain name and various trademarks have been applied for or registered in various classes in Hong Kong, Macau, the PRC and other relevant jurisdictions and takes all appropriate actions to enforce its intellectual property rights.

Anti-corruption/Anti-money laundering

In order to build up an ethical corporate culture and practices, the Group has established policies and procedures for preventing corruption and anti-money laundering. The Group also adopted a whistle-blowing system and reporting procedures for reporting concerns raised in connection with, inter alia, possible criminal offence and misconduct such as corruption and money-laundering or other matters within the Group.

The above policies and procedures can be found in the employees' handbooks and the Company's intranet. Employees were given induction briefing organised by the Group or seminars regularly organised by the Independent Commission Against Corruption of Hong Kong and the Commission Against Corruption of Macau on anti-corruption while employees responsible for carrying out transactions, initiating or establishing business relationships have undergone anti-money laundering underling training.

Additionally, a tendering procedure is adopted for all projects to prevent corruption, and all tender documents are kept confidentially, restricted to concerned parties. Tender evaluations are systematically based on the Group's internal policies.

During the Year, no legal case regarding corruption or money laundering was brought against the Group or its employees. As well, no whistle-blowing concerning criminal offence or misconduct was reported.

Compliance with Laws and Regulations

Compliance procedures are in place to ensure adherence to applicable laws, rules and regulations in particular, those have significant impact on the Group. Our Corporate Governance Committee is delegated by the Board to monitor the Group's policies and practices on compliance with legal and regulatory requirements and such policies are regularly reviewed. Any changes in the applicable laws, rules and regulations are brought to the attention of relevant employees and relevant operation units from time to time.

The Group holds relevant required licences for provision of product and services, such as estate agent licence (for property agency services), Junket Promoter Licence issued by the Gaming Inspection and Coordination Bureau, Administrative Licence issued by Macau Government Tourist Office (for entertainment and hospitality services in Macau), etc. and the management must ensure that the conduct of business is in conformity with the applicable laws and regulations.

Community Involvement

The Group is committed to the improvement of community well-being and social services. Aligning with the mission "From the Community, To the Community", the Group has formulated various community activities spanning elderly welfare and hospice care services, healthcare, education, sports, environmental conservation, and helping underprivileged children. The management of the Group plays an important role in mobilising staff to join all these activities, which are held in tandem with its commitment to sustainable development. The Group believes that by encouraging staff to participate in a wide range of charitable events, concern for the community will be raised and boosted, inspiring more people to take part in serving the community.

In September 2014, staff volunteers joined a four-day tour to Hubei Province, the PRC, to visit and assist solitary elderly people living in "Hubei Hong Kong Emperor Elderly Care Centre". This was the seventh consecutive year the Group participated in an outbound volunteer activity. The results were satisfactory. By being given gifts showing love and care, the elderly people were encouraged to face their last stage of life with dignity.

The Group provides ongoing support for various environmental protection activities. The Group participated in a tree planting day organised by the Committee of International Million Trees (Forest) Project and Network in May 2014, and the fund-raising event "Hike for Hospice" organised by Society for the Promotion of Hospice Care in March 2015. Also, to be more deeply involved in environmental protection and promote environmental awareness through green education, the Group registered as a member of World Wide Fund For Nature Hong Kong during the Year. In cooperation with the organization, the Group arranged guided tours for staff members and their families to Mai Po Nature Reserve. While getting closer to nature, participants could explore the wetland biodiversity, increasing their awareness of protecting the beauty of nature.

In June 2014, to motivate staff to form a better habit of reducing environmental damage and saving the planet, the Group supported the “Used Book Recycling Campaign” in conjunction with Sowers Action. Used books were collected, and funds raised from reselling them were donated to those in need in rural parts of the PRC.

In addition to environmental involvement, the Group emphasises helping the underprivileged. Staff showed their love and care for grassroots family members by working with them in the “Cook Connect Cooking Fun” in October 2014. Furthermore, the Group participated in the “Mooncake Transfer Campaign”, and donated mooncakes to Pok Oi Hospital Wai Yin Association Youth City, for distribution to underprivileged families in Tin Shui Wai. In January 2015, staff members formed a voluntary group and paid a visit to homes for the elderly, low income families and the physically disabled, to provide free house cleaning services. This Project Home Works was launched by Habitat for Humanity, which targets help for the underprivileged by enhancing their homes. In March 2015, Jade Party 2015, a fun chair-based dance competition for the elderly organised by the Jade Club and title sponsored by Emperor Foundation, aiming to promote physical and emotional health of the aging population. Staff volunteers joined the event, and engaged in joyful exercises incorporating music, rhythm and movement with more than a thousand elderly people.

During the Year, the Group has been named as 10 Years Plus Caring Company, recognising its ongoing commitment to fulfilling its corporate social responsibilities.

- 1. Volunteer tour to Hubei Hong Kong Emperor Elderly Care Centre
- 2. Hike for Hospice fundraising event



Biographies of Directors and Senior Executives

Non-executive Director (Chairperson)

LUK SIU MAN, SEMON, aged 59, the Chairperson of the Company. She joined the Company in June 1999. Ms. Luk is also the non-executive director and chairperson of Emperor Entertainment Hotel Limited (Stock Code: 296) (“Emperor E Hotel”), a subsidiary of the Company. She worked in the banking industry for almost 10 years. She graduated from The University of Toronto with a Bachelor’s Degree in Commerce.

Executive Directors and Managing Directors

WONG CHI FAI, aged 59, the Managing Director of the Company. Mr. Wong joined the Company in 1991. He has been responsible for the Group’s strategic planning, business growth and development and overseeing the financial management of the Group. He is also a Chairman of the Executive Committee and a member of the Remuneration Committee of the Company as well as a director of certain subsidiaries of the Company. He is also a director of two listed companies in Hong Kong, namely Emperor E Hotel and Emperor Watch & Jewellery Limited (Stock Code: 887) (“Emperor W&J”), both being associated companies of the Company. He was previously a director of another Hong Kong listed company, New Media Group Holdings Limited (now known as Evergrande Health Industry Group Limited) (Stock Code: 708) (“Evergrande”) and resigned on 27 March 2015. Having over 20 years of finance and management experience, Mr. Wong has diversified experience in different businesses ranging from manufacturing to property investment and development, hotel and hospitality, retailing of watch and jewellery, financial and securities services, artiste management, entertainment production as well as media and publication. Mr. Wong is a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants and a fellow of The Association of Chartered Certified Accountants.

FAN MAN SEUNG, VANESSA, aged 52, the Managing Director of the Company. Ms. Fan joined the Company in 1990. She has been responsible for the Group’s strategic planning, business growth and development as well as overseeing different functions within the Group. Ms. Fan is also the Chairperson of the Corporate Governance Committee, a member of the Executive Committee and the Nomination Committee of the Company as well as a director of certain subsidiaries of the Company. Ms. Fan is also a director of Emperor E Hotel and Emperor W&J. She was previously a director of Evergrande and resigned on 27 March 2015. Having over 26 years of corporate management experience, she possesses diversified experience in different businesses ranging from property investment and development, hotel and hospitality, financial and securities services, retailing of watch and jewellery, artiste management, entertainment production as well as media and publication. She is a lawyer by profession in Hong Kong and a qualified accountant, and holds a Master’s Degree in Business Administration.

Executive Director

CHEUNG PING KEUNG, aged 59, joined the Company in 2005 and was appointed as Executive Director of the Company in February 2007. He is a member of the Executive Committee and a director of certain subsidiaries of the Company. Mr. Cheung is currently responsible for overseeing the Group’s property investment, development and management businesses. During the period from 1997 to 2005, Mr. Cheung was an executive director of Henderson Investment Limited (Stock Code: 97). He has over 40 years of experience in professional general practice surveying as well as property development and marketing in Hong Kong, Macau, Mainland China and Canada. He graduated from University of London with a Bachelor’s Degree (Hons) in Arts. He is a Chartered Valuation Surveyor and a Fellow of both the Royal Institution of Chartered Surveyors and the Hong Kong Institute of Surveyors.

Biographies of Directors and Senior Executives

Independent Non-executive Directors

LIU HING HUNG, aged 51, was appointed as Independent Non-executive Director of the Company in September 2004. He is the Chairman of the Remuneration Committee as well as a member of the Audit Committee and the Corporate Governance Committee of the Company. He now runs a professional accountancy firm in Hong Kong and has over 10 years of experience in accounting, taxation, auditing and corporate finance. He is also an independent non-executive director of SIM Technology Group Limited (Stock Code: 2000). Mr. Liu holds a Master's Degree in Business Administration. He is a fellow member of the Hong Kong Institute of Certified Public Accountants, the Association of Chartered Certified Accountants and the Taxation Institute of Hong Kong and also a member of the Society of Chinese Accountants and Auditors.

CHENG KA YU, aged 42, was appointed as Independent Non-executive Director of the Company in August 2012. She is the Chairperson of the Nomination Committee as well as a member of the Audit Committee and Remuneration Committee of the Company. She has been admitted as a solicitor in Hong Kong since 1998 and is now a Partner of P.C. Woo & Co., Solicitors. Ms. Cheng graduated from the University of Hong Kong with a Bachelor's Degree in Laws in 1995.

WONG TAK MING, GARY, aged 39, was appointed as Independent Non-executive Director of the Company in August 2013. He is the Chairman of the Audit Committee as well as a member of the Nomination Committee and Corporate Governance Committee of the Company. He now runs a professional accountancy firm in Hong Kong and has over 10 years of experience in the field of auditing and accounting. Mr. Wong is also an independent non-executive director of Century Legend (Holdings) Limited (Stock Code: 79), a listed company on the Main Board of the Stock Exchange. Mr. Wong is a certified public accountant (practising) and a member of the Institute of Chartered Accountants in England and Wales and a fellow member of the Association of Chartered Certified Accountants and The Taxation Institute of Hong Kong.

Directors' Report

The Board is pleased to present their annual report and the audited consolidated financial statements of the Group for the Year.

Principal Activities

The Company is an investment holding company. The activities of its principal subsidiaries are set out in note 47 to the consolidated financial statements.

Results and Dividends

The results of the Group for the Year are set out in the consolidated statement of profit or loss and other comprehensive income on page 53. The dividend paid during the Year and proposed to be paid for the Year are set out in note 14 to the consolidated financial statements.

An interim dividend of HK\$0.05 per share for the Year (2013/2014: HK\$0.055 per share), amounting to approximately HK\$183.6 million (2013/2014: HK\$201.7 million), was paid to the shareholders of the Company ("Shareholders") during the Year.

The Directors recommended the payment of a final dividend of HK\$0.06 per share (2014: HK\$0.059 per share) for the Year, amounting to approximately HK\$220.3 million (2014: HK\$216.6 million) to those shareholders whose names appear on the register of members on 26 August 2015 (Wednesday) subject to the approval of the Shareholders at the forthcoming annual general meeting to be held on 18 August 2015 (Tuesday) ("2015 AGM").

Five-Year Financial Summary

A summary of the results and assets and liabilities of the Group for the last five financial years is set out on page 130 of the annual report.

Investment Properties

During the Year, the Group acquired investment properties at a cost of approximately HK\$2,438,044,000 and incurred costs of approximately HK\$442,152,000 to investment property under development.

As at 31 March 2015, the Group revalued all of its investment properties on an open market value basis. The increase in fair value amounting to approximately HK\$737,708,000 has been credited to the consolidated statement of profit or loss and other comprehensive income.

Details of changes in the investment properties of the Group are set out in note 16 to the consolidated financial statements.

A summary of major properties of the Group as at 31 March 2015 is set out on pages 131 to 136.

Property, Plant and Equipment

During the Year, the Group acquired property, plant and equipment at a cost of approximately HK\$117,543,000 and incurred costs of approximately HK\$243,942,000 to hotel properties under construction.

Details of changes in the property, plant and equipment of the Group are set out in note 17 to the consolidated financial statements.

Share Capital

Details of movements in the share capital of the Company during the Year are set out in note 35 to the consolidated financial statements.

Debentures

Details of the debentures of the Company in the form of unsecured notes issued during the Year are set out in note 32 to the consolidated financial statements.

Directors' Report

Reserves

Details of movements in the reserves of the Group during the Year are set out on pages 56 and 57.

Distributable Reserves of the Company

The contributed surplus of the Company represents the aggregate of (a) the difference between the consolidated net assets of the Company's subsidiaries and the nominal value of the Company's shares issued pursuant to the group reorganisation effective in December 1991; (b) the surplus arising on reduction of share capital effective in March 2003; and (c) the subsequent dividends paid and bonus issues by way of capitalisation of contributed surplus.

Under the Companies Act in 1981 of Bermuda, the contributed surplus of the Company is available for distribution to shareholders. However, a company cannot declare or pay a dividend or make a distribution out of contributed surplus if there are reasonable grounds for believing that:

- (i) the company is, or would after the payment be, unable to pay its liabilities as they become due; or
- (ii) the realisable value of the company's assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium accounts.

The Company's reserves available for distribution to shareholders as at 31 March 2015 represented the aggregate of contributed surplus and accumulated profits amounting to HK\$3,903,978,000 (2014: HK\$4,305,911,000).

Directors

The Directors during the Year and up to the date of this report were:

Non-executive Director:

Ms. Luk Siu Man, Semon (*Chairperson*)

Executive Directors:

Mr. Wong Chi Fai (*Managing Director*)

Ms. Fan Man Seung, Vanessa (*Managing Director*)

Mr. Cheung Ping Keung

Independent Non-executive Directors:

Mr. Liu Hing Hung

Ms. Cheng Ka Yu

Mr. Wong Tak Ming, Gary

Subject to the respective service agreements/letters of appointment hereinafter mentioned, the term of office of each Director, including the Independent Non-executive Directors ("INED(s)"), is the period up to his/her retirement by rotation in accordance with the Bye-laws of the Company and being eligible, can offer himself/herself for re-election at the relevant annual general meeting.

In accordance with Bye-laws 87(1) and 87(2) of the Company's Bye-laws, Ms. Fan Man Seung, Vanessa ("Ms. Vanessa Fan"), Mr. Liu Hing Hung and Mr. Wong Tak Ming, Gary ("Mr. Gary Wong") shall retire by rotation at the 2015 AGM. Ms. Vanessa Fan and Mr. Gary Wong, being eligible, offer themselves for re-election while Mr. Liu Hing Hung who served the Company as INED for more than 9 years, being eligible but does not offer himself for re-election.

Directors' Report

Each of the Non-executive Directors has entered into a letter of appointment with the Company in relation to his/her service as Non-executive Director/INED of the Company for an initial term of one year and is renewable automatically for successive terms of one year until being terminated by notice in writing served by either party.

None of the Directors proposed for re-election at the 2015 AGM has an unexpired service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation other than statutory compensation.

Directors' and Chief Executives' Interests and Short Positions in Securities

At 31 March 2015, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) as recorded in the register maintained by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") of The Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") were as follows:

(a) Long position interests in the Company

(i) Ordinary shares of HK\$0.01 each of the Company (the "Shares")

Name of Director	Capacity/ Nature of interests	Number of issued Shares held	Approximate % holding
Ms. Luk Siu Man, Semon (“Ms. Semon Luk”)	Interest of spouse	2,747,610,489 (Note 1)	74.83%
Ms. Vanessa Fan	Beneficial owner	5,000,000	0.14%

(ii) Share options

Name of Director	Capacity/ Nature of interests	Number of underlying Shares held	Approximate % holding
Mr. Wong Chi Fai (“Mr. Bryan Wong”)	Beneficial owner	10,769,475 (Note 2)	0.29%
Ms. Vanessa Fan	Beneficial owner	5,769,475 (Note 2)	0.16%

(iii) Debentures

Name of Director	Capacity/Nature of interests	Amount of debentures held
Ms. Semon Luk	Interest of spouse	HK\$270,000,000 (Note 3)

Directors' Report

Directors' and Chief Executives' Interests and Short Positions in Securities – continued

(a) Long position interests in the Company – continued

Notes:

1. These Shares were held by Emperor International Group Holdings Limited (“Emperor International Group Holdings”), a wholly-owned subsidiary of Albert Yeung Holdings Limited (“AY Holdings”). AY Holdings is held by STC International Limited (“STC International”), being the trustee of The Albert Yeung Discretionary Trust (“AY Trust”), a discretionary trust set up by Dr. Yeung Sau Shing, Albert (“Dr. Albert Yeung”). Dr. Albert Yeung, as founder of the AY Trust, had deemed interests in the said Shares held by Emperor International Group Holdings. By virtue of being the spouse of Dr. Albert Yeung, Ms. Semon Luk also had deemed interests in the same Shares.
2. These share options were granted to Directors under the share option scheme of the Company adopted on 9 September 2003.
3. These debentures were ultimately owned by AY Trust as founded by Dr. Albert Yeung. By virtue of being the spouse of Dr. Albert Yeung, Ms. Semon Luk also had deemed interests in the debentures.

(b) Long position interests in ordinary shares of associated corporations

Name of Director	Name of associated corporation	Capacity/ Nature of interests	Number of issued ordinary share(s) held	Approximate % holding
Ms. Semon Luk	Emperor E Hotel	Interest of spouse	816,287,845 (Note 1)	62.67%
	Emperor W&J	Interest of spouse	3,617,860,000 (Note 1)	52.57%
	Emperor Capital Group Limited (“Emperor Capital Group”)	Interest of spouse	3,089,498,815 (Note 2)	78.25% (Note 3)

Notes:

1. Emperor E Hotel and Emperor W&J are companies with their shares listed on the Stock Exchange. These respective shares were ultimately owned by AY Holdings which is in turn held by STC International, being the trustee of the AY Trust. Dr. Albert Yeung, as founder of the AY Trust, had deemed interests in these shares. By virtue of being the spouse of Dr. Albert Yeung, Ms. Semon Luk also had deemed interests in the same shares.
2. Emperor Capital Group is a company with its shares listed on the Stock Exchange. 1,773,516,907 shares out of these shares were indirectly held by AY Holdings which is in turn held by STC International, being the trustee of the AY Trust, a discretionary trust set up by Dr. Albert Yeung. The remaining 1,315,981,908 shares of Emperor Capital Group represent rights shares then undertaken and underwritten by Emperor Capital Group Holdings Limited, a wholly-owned subsidiary of AY Holdings. By virtue of being the spouse of Dr. Albert Yeung, Ms. Semon Luk also had deemed interests in the same shares.
3. The percentage is calculated based on the number of issued shares of Emperor Capital Group to be enlarged by the issuance of the rights shares. For details, please refer to the announcement dated 26 March 2015 of Emperor Capital Group.

Save as disclosed above, as at 31 March 2015, none of the Directors nor chief executives of the Company had any interests or short positions in any Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO).

Directors' Report

SHARE OPTIONS

The share option scheme adopted by the Company on 9 September 2003 ("Old Share Option Scheme") has lapsed automatically in September 2013 upon the expiry of the 10-year period. Following the expiry of the Old Share Option Scheme, no further share options can be granted thereunder but outstanding share options granted under the Old Share Option Scheme shall continue to be valid and exercisable.

In order to ensure the continuity of a share option scheme for the Company to provide incentives or rewards to participants including the Directors and eligible employees of the Group, the Shareholders passed an ordinary resolution at the annual general meeting of the Company held on 8 August 2013 to approve the adoption of a new share option scheme. No share options were granted thereunder since its adoption.

Details of outstanding share options under the Old Share Option Scheme and their movements during the Year are set out below:

Name of grantee	Date of grant	Exercise period	Exercise price per share (adjusted) HK\$	Number of share options		
				Outstanding as at 1 April 2014	Exercised during the Year	Outstanding as at 31 March 2015
<i>Director</i>						
Mr. Bryan Wong	11 August 2005	11 August 2005 to 10 August 2015	1.746	10,769,475	–	10,769,475
Ms. Vanessa Fan	11 August 2005	11 August 2005 to 10 August 2015	1.746	5,769,475	–	5,769,475
				<u>16,538,950</u>	<u>–</u>	<u>16,538,950</u>

During the Year, no option was granted, lapsed nor cancelled under the Old Share Option Scheme.

Arrangements to Purchase Shares or Debentures

Other than as stated above, at no time during the Year was the Company, its holding company, its subsidiaries or its fellow subsidiaries, a party to any arrangements to enable the Directors or chief executive of the Company or their spouse or children under 18 years of age to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Directors' Report

Other Persons' Interests and Short Positions in Securities

As at 31 March 2015, so far as is known to any Director or chief executives of the Company, the following persons or corporations (other than a Director or a chief executive of the Company) who had, or were deemed or taken to have an interest and short positions in the Shares or underlying Shares as recorded in the register required to be kept under Section 336 of the SFO or as otherwise notified to the Company were as follows:

Long position in the Shares

Name of shareholder	Capacity/Nature of interests	Number of issued Shares held	Approximate % holding
AY Holdings	Interest in a controlled corporation	2,747,610,489	74.83%
STC International	Trustee of the AY Trust	2,747,610,489	74.83%
Dr. Albert Yeung	Founder of AY Trust	2,747,610,489	74.83%

Note: These Shares were the same shares as those set out under Section (a)(i) of "Directors' and Chief Executives' Interests and Short Positions in Securities" above.

All interests stated above represent long positions. As at 31 March 2015, no short positions were recorded in the SFO Register of the Company.

Save as disclosed above, as at 31 March 2015, the Directors or chief executives of the Company were not aware of any other person or corporation (other than the Directors and chief executives of the Company) who had, or were deemed or taken to have, any interests or short positions in any Shares or underlying Shares as recorded in the register required to be kept under Section 336 of the SFO or as otherwise notified to the Company.

Directors' Interests in Competing Business

As at 31 March 2015, the interests of Directors or their respective associates in the businesses which are considered to compete or are likely to compete, either directly or indirectly, with the business of the Group ("Competing Business") as required to be disclosed pursuant to the Listing Rules were as follows:

Name	Name of Company	Nature of interests	Competing business
Ms. Semon Luk and her associate	Certain subsidiaries of AY Holdings as owned by the AY Trust of which Dr. Albert Yeung, associate of Ms. Semon Luk, was the founder	Substantial shareholder	Property development/investment
Ms. Vanessa Fan	Bacchus International Limited and its subsidiary	Director and shareholder	Property investment
Mr. Bryan Wong and his associate	Wintex Services Limited	Substantial shareholder and Director	Property investment

No non-competition undertaking was given by the above Directors. The properties held by the Group are mainly for commercial purpose while those held by the above Directors and/or their associate(s) are mainly for residential purpose.

Save as disclosed above, as at 31 March 2015, none of the Directors or their respective associates was interested in any business which competes or is likely to compete, either directly or indirectly, with business of the Group.

Directors' Report

Directors' Interests in Contracts of Significance and Connected Transactions

During the Year, the Group's transactions with Directors or companies in which certain Directors have beneficial interests are set out as follows.

Connected Transaction

Acquisition of Entire Equity Interest in Jade Talent Holdings Limited ("Jade Talent")

On 23 December 2014, Good Force Investments Limited, a wholly-owned subsidiary of the Company, as the purchaser entered into the Acquisition Agreement with New Media Group Limited as the vendor, in relation to the purchase and sale of the entire equity interest of Jade Talent and the shareholder's loan due from Jade Talent to the vendor. The consideration for the transaction was HK\$414.7 million.

The vendor was an indirect wholly-owned subsidiary of New Media Group Holdings Limited ("NMGHL"). As at the date of the agreement, both the Company and NMGHL were indirectly controlled by AY Holdings which was owned by AY Trust and hence the vendor was a connected person of the Company. Ms. Semon Luk was deemed to have interest in the agreement by virtue of being the spouse of Dr. Albert Yeung, who is the founder of the AY Trust and the deemed substantial shareholder of the Company and NMGHL. The transaction was completed on 27 February 2015.

Continuing Connected Transactions

During the Year, the Group had the following transactions with connected persons (as defined in the Listing Rules) of the Company:

A. *Leasing of properties – Operating lease rental / license fee received*

	Name of counterparty	Date of agreement	Location	Terms	Amount for the Year (HK\$'000)
	Companies under Emperor W&J				
(1)	Beauty Royal Limited ("Beauty Royal") (Note 1)	16 November 2012	Shops G01-02, G/F, Emperor Group Centre, 288 Hennessy Road, Wanchai, Hong Kong ("EGC")	17 November 2012 – 16 November 2014	794
(2)	Beauty Royal (Note 1)	14 November 2014	Shops G01-G05, G/F, EGC	17 November 2014 – 16 November 2017	2,789
(3)	Beauty Royal (Note 1)	28 March 2013	Shops G03-05, G/F, EGC	1 April 2013 – 31 March 2016 (Early terminated on 16 November 2014)	4,143
(4)	Beauty Royal (Note 1)	31 December 2013	Unit 1505, 15/F, EGC	1 January 2014 – 31 March 2016 (Early terminated on 8 December 2014)	230
(5)	Beauty Royal (Note 1)	28 March 2013	The whole of 25/F & Car Parking Space No. 27, B2/F, EGC	1 April 2013 – 31 March 2016	3,480

Directors' Report

Directors' Interests in Contracts of Significance and Connected Transactions – continued

Continuing Connected Transactions – continued

A. Leasing of properties – Operating lease rental / license fee received – continued

	Name of counterparty	Date of agreement	Location	Terms	Amount for the Year (HK\$'000)
(6)	Beauty Royal (Note 1)	29 November 2011	Shops 1 & 2, G/F, Emperor Watch and Jewellery Centre (formerly known as No. 8 Russell Street), No. 8 Russell Street, Causeway Bay, Hong Kong (together with the right to use three outdoor advertising signs and signage space A on 1/F)	1 December 2011 – 30 November 2014 (Early terminated on 11 September 2014)	9,307
(7)	Beauty Royal (Note 1)	12 September 2014	Shops 1 & 2, G/F, together with a right to use (i) External Wall Unit 1 on 1/F; (ii) External Wall Unit 2 on 6/F – 29/F and Roof; (iii) a LED Display on the External Wall on 5/F; (iv) 2 Signboards on External Wall on 1/F – 3/F; (v) 2 Signboards on External Wall on 5/F; and (vi) Signage Space A on 1/F, Emperor Watch and Jewellery Centre, No. 8 Russell Street, Causeway Bay, Hong Kong	12 September 2014 – 11 September 2017	20,499
(8)	Beauty Royal (Note 1)	29 November 2011	The signage space B at the external wall on 1/F, Emperor Watch and Jewellery Centre, No. 8 Russell Street, Causeway Bay, Hong Kong	30 November 2011 – 29 November 2014	1,992
(8a)	Beauty Royal (Note 1)	14 November 2014	–Same as above–	30 November 2014 – 29 November 2017	1,008
(9)	Beauty Royal (Note 1)	25 May 2011	Shops 3 & 5, G/F, Emperor Watch and Jewellery Centre, No. 8 Russell Street, Causeway Bay, Hong Kong	30 November 2011 – 29 November 2014	16,066
(9a)	Beauty Royal (Note 1)	22 October 2014	–Same as above–	30 November 2014 – 29 November 2017	10,683

Directors' Report

Directors' Interests in Contracts of Significance and Connected Transactions – continued

Continuing Connected Transactions – continued

A. Leasing of properties – Operating lease rental / license fee received – continued

	Name of counterparty	Date of agreement	Location	Terms	Amount for the Year (HK\$'000)
(10)	Beauty Royal (Note 1)	25 May 2011	G/F, (Shop A including the yard), and Office A (50 Russell Street) on 1/F, Tak Fat Building, 50-52 Russell Street, Causeway Bay, Hong Kong	1 July 2011 – 30 June 2014	3,942
(10a)	Beauty Royal (Note 1)	28 May 2014	–Same as above–	1 July 2014 – 30 June 2017	16,740
(11)	Beauty Royal (Note 1)	29 May 2014	Flat B and the adjacent flat roofs on 4/F, Tak Fat Building, 50-52 Russell Street, Causeway Bay, Hong Kong	1 June 2014 – 31 May 2016	96
(12)	Beauty Royal (Note 1)	25 May 2011	G/F, M/F and Flat A and Flat B on 1/F including the Flat Roof, 54 & 56 Russell Street together with the right to use a LED display on external wall from 1/F – 5/F facing Russell Street and an advertising signboard facing Russell Street and Tang Lung Street, Causeway Bay, Hong Kong	23 October 2011 – 22 October 2014	27,472
(12a)	Beauty Royal (Note 1)	22 October 2014	–Same as above–	23 October 2014 – 22 October 2017	27,022
(13)	Beauty Royal (Note 1)	25 May 2011	G/F (Shop B including the yard), Office B and the Balcony adjacent thereto on 1/F and Office B and the Balcony adjacent thereto on 2/F, Tak Fat Building, 50-52 Russell Street, Causeway Bay, Hong Kong	23 October 2011 – 22 October 2014	9,431
(13a)	Beauty Royal (Note 1)	22 October 2014	–Same as above–	23 October 2014 – 22 October 2017	10,043

Directors' Report

Directors' Interests in Contracts of Significance and Connected Transactions – continued

Continuing Connected Transactions – continued

A. Leasing of properties – Operating lease rental / license fee received – continued

	Name of counterparty	Date of agreement	Location	Terms	Amount for the Year (HK\$'000)
(14)	Beauty Royal (Note 1)	15 December 2011	G/F and 1/F, Tenement A & B on 3/F, Portion A of Tenement A on 4/F and roof, 4-8 Canton Road, Kowloon, Hong Kong together with a right to use four outdoor advertising signs on the external walls to the building	4 January 2012 – 3 January 2015	48,096
(15)	Beauty Royal (Note 1)	23 December 2014	G/F and 1//F, Four outdoor advertising signs on the external walls, Unit 3A, Unit 3B, Portion A of Unit A on 4th Floor and Roof, 4-8 Canton Road, Kowloon, Hong Kong	4 January 2015 – 3 January 2018	14,950
(16)	Beauty Royal (Note 1)	28 February 2014	Projected signage of 4-8 Canton Road, Kowloon, Hong Kong	March, April and June 2014	1,170
(16a)	Beauty Royal (Note 1)	29 January 2014	–Same as above–	February, August, October and December 2014	1,858
(16b)	Beauty Royal (Note 1)	30 January 2015	–Same as above–	February, August, October and December 2015	560
(17)	Beauty Royal (Note 1)	28 February 2014	Shops A, D2 & E2 on Ground Floor and the projected signage on external wall, Harilela Mansion, 81 Nathan Road, Hong Kong	1 April 2014 – 31 March 2017	15,000
(18)	EWJ Watch and Jewellery (Macau) Limited (formerly known as EWJ Watch and Jewellery Company Limited) (“EWJ Macau”) (Note 1)	30 June 2011	EM Macau, Avenida De Infante D., Henrique N ^o S 67-69, Res-Do-Chao B & EM Macau, Rua Dr., Pedro Jose Lobo N ^o 5, Res-Do-Chao C2, Macau	1 July 2011 – 30 June 2014	1,033
(18a)	EWJ Macau (Note 1)	30 June 2014	–Same as above–	1 July 2014 – 30 June 2017	4,250
(19)	EWJ Macau (Note 1)	30 June 2011	EM Macau, Avenida De Infante D., Henrique N ^o 65-A, 1 ^o Andar B, Macau	1 August 2011 – 30 June 2014	21

Directors' Report

Directors' Interests in Contracts of Significance and Connected Transactions – continued

Continuing Connected Transactions – continued

A. Leasing of properties – Operating lease rental / license fee received – continued

	Name of counterparty	Date of agreement	Location	Terms	Amount for the Year (HK\$'000)
(19a)	EWJ Macau (Note 1)	30 June 2014	–Same as above–	1 July 2014 – 30 June 2017	77
(20)	EWJ Macau (Note 1)	28 March 2012	Shop Nos. 1-4, G/F, EM Macau, Travessa Central Da Praia Grande Nos 11-41, Hotel Animacao Imperial (also known as Shop Nos. 1 – 4 on G/F, Grand Emperor Hotel, 251-292D Avenida Comercial De Macau)	1 April 2012 – 30 March 2015	4,128
(21)	EWJ Macau (Note 1)	28 June 2011	Shop No. 5, G/F., EM Macau, Travessa Central Da Praia Grande Nos 11-41, Hotel Animacao Imperial (also known as Shop No. 5 on G/F, Grand Emperor Hotel, 251-292D Avenida Commercial De Macau)	1 July 2011 – 30 June 2014	442
(21a)	EWJ Macau (Note 1)	30 June 2014	–Same as above–	1 July 2014 – 30 June 2017	1,685
Companies under Emperor Capital Group					
(22)	Profit Broad Development Limited (“Profit Broad”) (Note 2)	13 September 2013	Unit 603, 6/F, EGC	15 September 2013 – 31 March 2016	285
(23)	Profit Broad (Note 2)	20 December 2012	Unit 604, 6/F, EGC	1 January 2013 – 31 December 2014	485
(23a)	Profit Broad (Note 2)	23 December 2014	–Same as above–	1 January 2015 – 31 March 2016	182
(24)	Profit Broad (Note 2)	13 September 2013	Unit 606, 6/F, EGC	15 September 2013 – 31 March 2016	505
(25)	Profit Broad (Note 2)	13 September 2013	Unit 2006, 20/F, EGC	15 September 2013 – 31 March 2016	525
(26)	Profit Broad (Note 2)	31 March 2014	24/F, EGC	1 April 2014 – 31 March 2017	3,593

Directors' Report

Directors' Interests in Contracts of Significance and Connected Transactions – continued

Continuing Connected Transactions – continued

A. Leasing of properties – Operating lease rental / license fee received – continued

	Name of counterparty	Date of agreement	Location	Terms	Amount for the Year (HK\$'000)
Other companies under AY Trust					
(27)	Emperor Entertainment (Hong Kong) Limited (Note 3)	28 March 2013	27/F, EGC	1 April 2013 – 31 March 2016	3,624
(28)	Emperor Motion Picture (Hong Kong) Limited (“EMP (HK)”) (Note 3)	31 March 2014	Portion of 12/F, The Ulferts Centre, No. 4 Kin Fat Lane, Tuen Mun, New Territories, Hong Kong	1 April 2014 – 31 March 2017	252
(29)	EMP (HK) (Note 3)	27 December 2012	Unit 802, 8/F & Units 901-902, 9/F, EGC (Unit 802 was partially surrendered on 1 August 2013)	1 February 2013 – 31 March 2015	1,002
(30)	EMP (HK) (Note 3)	3 July 2013	Unit 903, 9/F, EGC	3 July 2013 – 30 June 2016 (Early terminated on 11 December 2014)	268
(31)	EMP (HK) (Note 3)	29 November 2013	Unit 2001, 20/F, EGC	1 December 2013 – 30 June 2016	699
(32)	Emperor Agency Limited (“Emperor Agency”) (Note 3)	28 March 2013	Unit 601, 6/F, EGC	1 April 2013 – 31 March 2015	702
(33)	Emperor Agency (Note 3)	31 March 2014	Unit 801, 8/F, EGC	1 April 2014 – 31 March 2016	863
(34)	Emperor Agency (Note 3)	27 December 2012	Unit 1701, 17/F, EGC	1 January 2013 – 31 March 2015	740
(35)	Emperor Agency (Note 3)	29 November 2013	Units 1702-1707, 17/F, EGC	1 December 2013 – 31 March 2015	2,603
(36)	Emperor Agency (Note 3)	28 March 2013	Unit 2101, 21/F, EGC	20 April 2013 – 31 May 2015 (Early terminated on 13 March 2015)	742

Directors' Report

Directors' Interests in Contracts of Significance and Connected Transactions – continued

Continuing Connected Transactions – continued

A. Leasing of properties – Operating lease rental / license fee received – continued

	Name of counterparty	Date of agreement	Location	Terms	Amount for the Year (HK\$'000)
(37)	Emperor Agency (Note 3)	28 March 2013	Unit 2102, 21/F, EGC	1 June 2013 – 31 May 2015 (Early terminated on 13 March 2015)	336
(38)	Emperor Agency (Note 3)	31 March 2014	23/F and Unit A, 28/F, EGC	1 April 2014 – 31 March 2016	5,520
(39)	Wealthy House Limited (Note 3)	2 April 2012	Shops 7-11 on G/F, 1/F & 2/F (including the entrance hall on G/F to 1/F and 2/F), Wei King Building, 275 Chatham Road North, Hung Hom, Kowloon, Hong Kong	1 April 2012 – 31 March 2015	3,255
(40)	Mighty Wish Limited (Note 3)	2 April 2012	M/F, 1-9/F, Portion of 12/F and parking spaces (excluding Nos. 9 and 10) on G/F, The Ulferts Centre, 4 Kin Fat Lane, Tuen Mun, New Territories, Hong Kong	1 April 2012 – 31 March 2015	9,435
(41)	Ulferts of Sweden (Far East) Limited (Note 3)	31 March 2014	Units 1206-1207, 12/F, EGC	1 April 2014 – 31 March 2016	1,127

B. Financial Services under the Financial Services Agreement

The Company made an announcement on 4 July 2014 in connection with the Financial Services Annual Cap for the Financial Services Agreement entered into between Emperor Capital Group and AY Holdings (Note 4) on 28 September 2012, pursuant to which Emperor Capital Group has agreed to provide to other listed members under AY Holdings, including the Company, (i) financial services including brokerage services for securities, futures and options trading and acting as placing agent, underwriter or sub-underwriter; (ii) margin loans; (iii) IPO loans; (iv) term loans; and (v) financial advisory services, from time to time from 1 October 2012 to 30 September 2015 in order for the listed group companies under AY Holdings to enjoy the flexibility of obtaining financial services from Emperor Capital Group at a cost efficient and timely manner so as to cope with the corporate exercise and/or the investment opportunities of individual listed companies. During the Year, HK\$28,960,000 of the financial services fee was paid by the Group to Emperor Capital Group. (Note 5)

Directors' Interests in Contracts of Significance and Connected Transactions – continued

Continuing Connected Transactions – continued

C. *Master Purchase Agreement*

On 4 July 2014, the Company entered into the Master Purchase Agreement with AY Holdings pursuant to which AY Holdings agreed to procure its subsidiaries and associates to provide products and services to the Group in relation to the Group's future development projects, which includes hotels, residential and commercial developments. This agreement shall expire on 31 March 2017. During the Year, HK\$4,988,000 of the products and services was purchased by the Group from the group members of AY Holdings (Note 4).

Notes:

- (1) These companies were indirectly wholly-owned subsidiaries of Emperor W&J, the substantial shareholder of which is indirectly controlled by the AY Trust.
- (2) This company was a wholly-owned subsidiary of Emperor Capital Group, the substantial shareholder of which was indirectly controlled by the AY Trust.
- (3) These companies were indirectly wholly-owned by the AY Trust.
- (4) AY Holdings was indirectly wholly-owned by the AY Trust.
- (5) Emperor Capital Group was indirectly controlled by the AY Trust.

Ms. Semon Luk, a Director of the Company, has deemed interests in the above transactions, by virtue of being the spouse of Dr. Albert Yeung, who is the founder of the AY Trust and the deemed substantial shareholder of the Company.

D. *Accommodation Contract with Group Consultant*

As announced on 31 March 2014, Emperor Investment (Management) Limited, a wholly-owned subsidiary of the Company, entered into an Accommodation Contract on 31 March 2014 with Dr. Albert Yeung, the deemed substantial shareholder of the Company, pursuant to which the Group would continue to provide him and his associates (including Ms. Semon Luk, Chairperson of the Company, being the spouse of Dr. Albert Yeung who has not been receiving any emolument from the Group, for his consultancy services rendered since 1 April 2002), a quarter located at No.2 Belleview Drive, Hong Kong for accommodation (including related expenses in relation to the usage of the property) as his emolument for his consultancy services to the Group for a period from 1 April 2014 to 31 March 2017. The market rental value as calculated by an independent firm of professional valuers and related expense of the quarter up to 31 March 2015 was approximately HK\$9,836,000.

The consultancy services provided by Dr. Albert Yeung benefit the Group in overall strategic planning and business development of the Company as well as in business liaisons. Being one of the senior executives of the Group, Dr. Albert Yeung is also entitled to enjoy the fringe benefits offered by the Group, including the non-exclusive use of motor vehicles, yachts, club debentures and membership.

Directors' Report

Directors' Interests in Contracts of Significance and Connected Transactions – continued

Continuing Connected Transactions – continued

E. Service agreement in relation to the operation of the GEH

Date of agreement

19 February 2010

Name of parties

- (1) Tin Hou Limited (“Tin Hou”), a company incorporated in Macau, an indirect wholly-owned subsidiary of Emperor E Hotel which is an indirect non wholly-owned subsidiary of the Company; and
- (2) Sociedade de Jogos de Macau, S.A., (“SJM”), a company incorporated in Macau, which is principally engaged in gaming business in Macau and is one of the six concessionaires/subconcessionaries licensed to carry on casino operations in Macau. SJM has 19.99% equity interest in Luck United Holdings Limited, an indirect non wholly-owned subsidiary of Emperor E Hotel, and is a connected person within the meaning of the Listing Rules by virtue of being a substantial shareholder of a subsidiary of the Company.

Nature of transaction

The provision of services comprising management services and promotion services by Tin Hou to SJM in relation to the operation of the Grand Emperor Hotel whereas Tin Hou together with the nominated junket promoter (a fellow subsidiary of Tin Hou and wholly-owned by Emperor E Hotel) shall be entitled to a share of the gross win and gross loss in respect of the monthly operating performance of the gaming area of the GEH and bear all necessary operational expenses in relation to the operation of the gaming area.

Terms

From 1 October 2009 to termination upon occurrence of certain events, including the expiration of SJM's gambling license under the Gaming Concession Contract on 31 March 2020 or any earlier termination thereof or winding up or cessation of business of either party.

Amount for the year ended 31 March 2015

During the Year, the Group's net receipt under the agreement amount to HK\$1,578,557,000.

Compliance with Disclosure Requirements

Save as “Financial services expenses to related companies”, “Purchase of property, plant and equipment and merchandising goods from related companies” and “Rental income from related companies” in the amount of HK\$295,750,000 for the Year as shown in note 45(a) and the transaction as shown in notes 39(a) and 45(c) to the consolidated financial statements which constituted connected transactions of the Company under Chapter 14A of the Listing Rules, all other transactions as shown in note 45 (save as “Interest income from a shareholder of a joint venture” which is not a connected transaction) are connected transactions exempted from announcement, reporting, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. The Company has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules in respect of the above connected transactions.

Directors' Report

Directors' Interests in Contracts of Significance and Connected Transactions – continued

Continuing Connected Transactions – continued

Auditor's Letter on Disclosed Continuing Connected Transactions

The Company's auditor was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" (the "Auditor's Letter") issued by the Hong Kong Institute of Certified Public Accountants.

The auditor has issued an unqualified letter containing its findings and conclusions in respect of the continuing connected transactions disclosed by the Group ("Disclosed CCTs") on pages 29 to 37 of this annual report in accordance with Main Board Listing Rule 14A.56. A copy of the Auditor's Letter has been provided by the Company to the Stock Exchange.

Confirmation of Independent Non-executive Directors

Pursuant to rule 14A.55 of the Listing Rules, the Company's INEDs have reviewed the Disclosed CCTs and the Auditor's Letter and have confirmed that these transactions have been entered into by the Group:

- (1) in the ordinary and usual course of its business of the Group;
- (2) on normal commercial terms or better (as the case may be); and
- (3) according to the agreement governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole.

Save as disclosed above, there was no contract of significance to which the Company, or any of its subsidiaries was a party and in which a Director had a material interest, whether directly or indirectly, subsisted at the end of the Year or at any time during the Year.

Confirmation of Independence of Independent Non-executive Directors

The Company has received from each of the INEDs an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all of the INEDs are independent.

Emolument Policy

The emoluments of the Executive Directors are decided by the Board as recommended by the Remuneration Committee having regard to a written remuneration policy (which ensures a clear link to business strategy and a close alignment with the shareholders' interest and current best practice), the Group's operating results, individual performance and comparable market statistics. The INEDs are paid fees in line with market practice. No individual should determine his or her own remuneration.

Employees remuneration was determined in accordance with individual's responsibility, competence and skills, experience and performance as well as market pay level.

Remuneration package includes, as the case may be, basic salaries, Directors' fees, housing allowances, contribution to pension schemes, discretionary bonus relating to the profit of the Group and individual performance, ad hoc rewards and other competitive fringe benefits such as medical and life insurances. To provide incentive to the eligible participants (including Directors and employees), the remuneration package has been extended to include share options granted under the share option schemes adopted by the Company, details of which are set out in note 36 to the consolidated financial statements. Details of the emoluments of the Directors and the five highest paid individuals of the Group are set out in note 12 to the consolidated financial statements.

Directors' Report

Purchase, Sale or Redemption of the Company's Listed Securities

During the Year, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

Pre-Emptive Rights

There are no provision for pre-emptive rights under the Company's Bye-laws, or the laws of Bermuda, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

Charitable Donations

During the Year, the Group made charitable donations amounting to approximately HK\$14,838,000.

Major Customers and Suppliers

During the Year, the aggregate amount of revenue attributable to the Group's five largest customers represented 73% of the Group's total revenue. The largest customer accounted for 62% to the Group's total revenue.

During the Year, the aggregate amount of purchases and services received attributable to the Group's five largest suppliers represented 27% of the Group's total purchases and services received. The largest supplier accounted for 14% to the Group's total purchases and services received.

None of the Directors, their close associates, or any Shareholders which, to the knowledge of the Directors, owning more than 5% of the Company's issued share capital, had a beneficial interest in the share capital of any of the above major customers or suppliers of the Group.

Corporate Governance

Principal corporate governance practices adopted by the Company are set out in the Corporate Governance Report on pages 40 to 50.

Sufficiency of Public Float

Based on the information publicly available to the Company and within the knowledge of the Directors, as at the date of this report, there was sufficient public float of more than 25% of the Company's issued Shares as required under the Listing Rules.

Event(s) after the Reporting Period

Details of significant event(s) occurring after the reporting period are set out in note 44 to the consolidated financial statements.

Auditor

A resolution will be submitted to the 2015 AGM to re-appoint Messrs. Deloitte Touche Tohmatsu as auditor of the Company.

On behalf of the Board

Luk Siu Man, Semon
Chairperson

Hong Kong
24 June 2015

Corporate Governance Report

The Board is committed to maintaining a high standard of corporate governance for the Company within a sensible framework. The Company has fully complied with all the provisions of the Corporate Governance Code (the “CG Code”) as set out in Appendix 14 of the Listing Rules throughout the Year.

The Board

Board Composition

As at 31 March 2015, the Board comprised seven Directors, with one Non-executive Director who is also the Chairperson of the Board, three Executive Directors and three INEDs. The Board considers that this composition ensures a strong independent element with a balance of power and influence between individuals on the Board. The biographies of the Directors are set out on pages 21 to 22 of this annual report under the “Biographies of Directors and Senior Executives” section.

Chairperson and Chief Executives

Ms. Semon Luk has been appointed as the Chairperson since 1999 and provides leadership for the Board. With the support of the company secretary of the Company (“Company Secretary”), she is responsible for ensuring that all Board members work effectively and discharge their responsibility by providing timely, reliable and sufficient information on issues to be discussed at each Board meeting. All Board members are properly briefed on the issues to be discussed and the meeting materials are dispatched to the Directors before the meetings. She holds meetings with the INEDs at least once a year.

Both Mr. Bryan Wong and Ms. Vanessa Fan have been appointed as Managing Directors of the Company, and are responsible for the Group’s strategic planning, business growth and development.

Independent Non-executive Directors

The INEDs are all professionals with valuable experience and expertise in legal, accounting or auditing in business areas who contribute impartial view and make independent judgment on issues to be discussed at Board meetings. Each of them has been appointed for an initial term of one year and shall continue thereafter on a yearly basis subject to early termination with written notice being served by either party. The terms of the INEDs are also subject to retirement by rotation and re-election provision under the Bye-Laws of the Company.

The Company has received a confirmation of independence from each of the INEDs. The Board considers each of them to be independent by reference to the factors as set out in Rule 3.13 of the Listing Rules. The INEDs have been expressly identified as such in all corporate communications of the Company that disclose the names of Directors.

Roles and Responsibilities of the Board

The Board is responsible for the leadership, control and promotion of the success of the Group by directing and supervising its business operations in the interests of the Shareholders and by formulating strategic directions and monitoring the financial and management performance of the Group.

There is a procedure agreed by the Board to enable the Directors, upon reasonable request, to seek independent professional advice in appropriate circumstances, at the Company’s expenses in order to assist them to perform their duties to the Company.

Corporate Governance Report

The Board – continued

Delegation to the Management

The management is led by the Executive Directors of the Board and has delegated powers and authorities to carry out the day-to-day management and operation of the Group, formulate business policies and make decision on key business issues and exercise power and authority delegated by the Board from time to time.

There is a formal schedule of matters specifically reserved to and delegated by the Board. The Board had given clear directions to the management that certain matters (including the followings) must be reserved to the Board:

- Publication of final and interim results of the Company
- Dividend distribution or other distribution
- Major issues of treasury policy, accounting policy and remuneration policy
- Major changes to group structure or Board composition requiring notification by announcements
- Publication of the announcements for notifiable transactions and non-exempted connected transactions/ continuing connected transactions
- Non-exempted connected transactions/continuing connected transactions
- Proposed transactions requiring Shareholders' approval
- Capital restructuring and issue of new securities of the Company
- Financial assistance to Directors

Induction, Support and Professional Development of Directors

All Directors have been given relevant guideline materials regarding the duties and responsibilities of being a Director, the relevant laws and regulations applicable to the Directors, duty of disclosure of equity/business interest. Every newly appointed Director has received a comprehensive, formal and tailored induction on appointment and subsequently received briefing and professional development necessary to ensure that he has a proper understanding of the Company's operations and business and is fully aware of his responsibilities under statute and common law, the Listing Rules, legal and other applicable regulatory requirement and the corporate governance practices.

The Directors confirmed that they have complied with the Code Provision A.6.5 of the CG Code on Directors' training. During the Year, each Director has participated in continuous professional development by attending seminars/workshops and reading materials on the following topics to develop and refresh their knowledge and skills and provided a record of training to the Company:

Name of Directors

Topics on training covered ^(Notes)

Ms. Luk Siu Man, Semon	(a) and (b)
Mr. Wong Chi Fai	(a), (b) and (c)
Ms. Fan Man Seung, Vanessa	(a), (b) and (c)
Mr. Cheung Ping Keung	(a), (b) and (d)
Mr. Liu Hing Hung	(a) and (b)
Ms. Cheng Ka Yu	(a) and (b)
Mr. Wong Tak Ming, Gary	(a), (b) and (c)

Notes:	(a) corporate governance
	(b) regulatory
	(c) finance
	(d) industry-specific

Corporate Governance Report

The Board – continued

Relationship between the Board Members

None of the members of the Board has any relationship (including financial, business, family or other materials/relevant relations) among each other.

Directors' Insurance

The Company has arranged appropriate insurance cover in respect of legal action against the Directors.

Directors' Attendance and Time Commitment

The attendance of Directors at the meetings during the Year is set out below:

Name of Directors	No. of meetings attended/held						
	Board	Audit Committee	Remuneration Committee	Nomination Committee	Corporate Governance Committee	Executive Committee	General Meetings
Non-executive Director							
Luk Siu Man, Semon	18/18	N/A	N/A	N/A	N/A	N/A	2/2
Executive Directors							
Wong Chi Fai (Note 1)	18/18	N/A	1/1	N/A	N/A	3/5	2/2
Fan Man Seung, Vanessa (Note 2)	18/18	N/A	N/A	1/1	1/1	5/5	2/2
Cheung Ping Keung	18/18	N/A	N/A	N/A	N/A	5/5	2/2
Independent Non-executive Directors							
Liu Hing Hung (Note 3)	18/18	3/3	1/1	N/A	1/1	N/A	0/2
Cheng Ka Yu (Note 4)	18/18	3/3	1/1	1/1	N/A	N/A	2/2
Wong Tak Ming, Gary (Note 5)	18/18	3/3	N/A	1/1	1/1	N/A	2/2
Total number of meetings held	18	3	1	1	1	5	2

Notes:

1. Chairman of Executive Committee
2. Chairperson of Corporate Governance Committee
3. Chairman of Remuneration Committee
4. Chairperson of Nomination Committee
5. Chairman of Audit Committee

Upon reviewing (a) the annual confirmation on time commitment given by each Director; (b) the directorships and major commitments of each Director; and (c) the attendance rate of each Director on full Board and their respective Board committee meetings, the Board is satisfied that all Directors have spent sufficient time in performing their responsibilities during the Year.

Corporate Governance Report

The Board – continued

Board Meetings and Proceedings

Regular board meetings were held at approximately quarterly interval. The Directors have access to the advice and services of the Company Secretary and key officers of the company secretarial team for ensuring that the Board procedures, all applicable rules and regulations are followed.

With the assistance of the Company Secretary, the meeting agenda is set by the Chairperson of the meeting in consultation with other Board members. Board meeting notice was sent to the Directors at least 14 days prior to each regular Board meeting. Board papers together with all appropriate, complete and reliable information are generally sent to all Directors at least 3 days before each regular Board meeting and Board Committee meeting to enable the Directors to make informed decision.

Draft and final versions of the minutes of Board meetings and Board committee meetings, drafted in sufficient details by the secretary of the meetings, were circulated to the Directors for their comment and record respectively. Originals of such minutes, being kept by the Company Secretary, are open for inspection at any reasonable time on reasonable notice by any Director.

If a Director has conflict of interest in a matter to be considered by the Board which the Board has determined to be material, the Director will abstain from voting on the relevant Board resolution in which he/she or any of his/her associates has a material interest and he/she shall not be counted in the quorum present at the Board meeting.

Board Committees

To assist the Board in execution of its duties and facilitate effective management, certain functions of the Board have been delegated by the Board to the Audit Committee, Remuneration Committee, Nomination Committee, Corporate Governance Committee and Executive Committee.

The majority of the members of the Audit Committee, Remuneration Committee and Nomination Committee are INEDs. Clear written terms of reference of all the Board Committees are given to the respective members of these Committees. Details of the Board Committees are set out below:

1. *Audit Committee (set up on 23 September 2004)*

The Audit Committee consists of three INEDs, namely Mr. Wong Tak Ming, Gary (Chairman of the Committee), Mr. Liu Hing Hung and Ms. Cheng Ka Yu.

The specific written terms of reference of the Audit Committee is available on the Company's website. The Audit Committee is primarily responsible for (a) making recommendations to the Board on the appointment, reappointment and removal of the external auditor; (b) approving the remuneration and terms of engagement of external auditor; and (c) reviewing financial information and overseeing the financial reporting system and internal control procedures. The Audit Committee held three meetings during the Year.

A summary of the work performed by the Audit Committee during the Year is set out below:

- i. reviewed with the management/finance-in-charge and/or the external auditor the effectiveness of audit process and the accounting principles and practices adopted by the Group, the accuracy and fairness of the annual financial statements for the financial year ended 31 March 2014 and the interim financial statements for the six months ended 30 September 2014;
- ii. reviewed with senior management and finance-in-charge the effectiveness of the internal control system of the Group;

Corporate Governance Report

The Board – continued

Board Committees – continued

1. *Audit Committee (set up on 23 September 2004) – continued*

- iii. annual review of the non-exempt continuing connected transactions of the Group for the year ended 31 March 2014;
- iv. approved the audit plan for the financial year ended 31 March 2015, reviewed the independence of the external auditor and approved the engagement of external auditor; and
- v. recommended the Board on the re-appointment of external auditor.

2. *Remuneration Committee (set up on 19 July 2005)*

The Remuneration Committee consists of three members, namely Mr. Liu Hing Hung (Chairman of the Committee) and Ms. Cheng Ka Yu, both being INEDs, and Mr. Bryan Wong, being the Managing Director.

The specific written terms of reference of the Remuneration Committee is available on the Company's website. The Remuneration Committee is primarily responsible for making recommendation to the Board on (a) Company's policy and structure for the remuneration of Directors and senior management; (b) the remuneration of Non-executive Directors; and (c) the specific remuneration packages for individual Executive Directors and senior management. Details of the remuneration of each of the Directors for the Year are set out in note 12 to the consolidated financial statements. The Remuneration Committee held one meeting during the Year.

A summary of the work performed by the Remuneration Committee during the Year is set out as follows:

- i. reviewed and recommended the Board to approve the Directors' fee; and
- ii. reviewed the current remuneration structure/package of the Executive Directors and senior management and recommended the Board to approve their specific packages.

3. *Nomination Committee (set up on 28 March 2012)*

The Nomination Committee consists of three members, namely Ms. Cheng Ka Yu (Chairperson of the Committee) and Mr. Wong Tak Ming, Gary, both being INEDs, and Ms. Vanessa Fan, being the Managing Director.

The specific written terms of reference of the Nomination Committee is available on the Company's website. The primary duties of the Nomination Committee are (a) reviewing the structure, size and diversity of the Board; (b) determining the policy for the nomination of Directors and identifying potential candidates for directorship; (c) assessing the independence of INEDs; (d) reviewing the time commitment of each Director; (e) reviewing the Board Diversity Policy; and (f) making recommendations to the Board on any proposed changes to the Board or selection of individual nominated for directorships, or on appointment or re-appointment or re-election of Directors. The Nomination Committee held one meeting during the Year.

Corporate Governance Report

The Board – continued

Board Committees – continued

3. *Nomination Committee (set up on 28 March 2012) – continued*

A summary of the work performed by the Nomination Committee during the Year is set out as follows:

- i. reviewed structure, size and diversity of the Board;
- ii. reviewed the independence of INEDs;
- iii. reviewed the confirmation from the Directors on their time commitment in performing their duties as Directors; and
- iv. recommended to the Board the nomination of Directors for re-election at the 2014 AGM.

As adopted by the Board, the Board Diversity Policy aims to achieve diversity on Board in the broadest sense in order to have a balance of skills, experience and diversity of perspectives appropriate to the business nature of the Company. Selection of candidates on the Board is based on a range of diversity perspectives, including gender, age, length of service, professional qualification and experience. The Nomination Committee will also assess the merits and contribution of any Director proposed for re-election or any candidate nominated to be appointed as Director and against the objective criteria, with due regard for the benefits of diversity on the Board that would complement the existing Board.

4. *Corporate Governance Committee (set up on 28 March 2012)*

The Corporate Governance Committee consists of five members, namely Ms. Vanessa Fan (Chairperson of the Committee), being the Managing Director, Mr. Wong Tak Ming, Gary and Mr. Liu Hing Hung, both being INEDs, a representative of company secretarial function and a representative of finance and accounts function. The specific written terms of reference of the Corporate Governance Committee is available on the Company's website. The primary duties of the Corporate Governance Committee are (a) reviewing the policies and practices on corporate governance and compliance with legal and regulatory requirements of the Company; (b) reviewing and monitoring the training and continuous professional development of Directors and senior management; (c) reviewing the code of conduct applicable to Directors and relevant employees of the Group on dealings with the Company's securities; and (d) reviewing the Company's compliance with the CG Code and disclosure in this Report. The Corporate Governance Committee held one meeting during the Year.

A summary of the work performed by the Corporate Governance Committee during the Year is set out as follows:

- i. reviewed the Corporate Governance Policy;
- ii. reviewed the training and continuous professional development of Directors;
- iii. reviewed the policies and practices on compliance with legal and regulatory requirements;
- iv. reviewed the code of conduct applicable to Directors and relevant employees of the Group; and
- v. reviewed the Company's compliance with the CG Code and disclosure in Corporate Governance Report.

Corporate Governance Report

The Board – continued

Board Committees – continued

5. *Executive Committee (set up on 22 October 2014)*

The Executive Committee consists of three members, namely Mr. Wong Chi Fai (Chairman of the Committee), Ms. Vanessa Fan and Mr. Cheung Ping Keung, all being the Executive Directors. The primary duties of the Executive Committee are (a) formulating business policies and making decision on matters relating to the management and operations of the Group; and (b) having all power and authorities of the Board except those matters specifically reserved for the full Board as set out in the “Formal Schedule on matters reserved for and delegated by the Board” adopted by the Board from time to time.

Securities Transaction of Directors

The Company has adopted the 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 all Directors, all of them confirmed that they have complied with the required standard of dealings and the code of conduct throughout the Year.

Accountability and Audit

The Directors acknowledged their responsibilities to prepare the consolidated financial statements of the Group and other financial disclosures required under the Listing Rules and the management has provided such explanation and information to the Board to enable it to make an informed assessment of the financial and other Board decisions. The Directors believed that they have selected suitable accounting policies and applied them consistently, made judgment and estimates that are prudent and reasonable and ensured the consolidated financial statements are prepared on a “going concern” basis. The auditor of the Company has made a statement about their reporting responsibilities in the Independent Auditor’s Report.

The management has provided all members of the Board with monthly updates on internal financial statements which give a balanced and understandable assessment of the Group’s performance, position and prospects.

Internal Controls

The Board acknowledges its responsibility for maintaining and reviewing the effectiveness of the Group’s internal control system. Such system is implemented to minimize the risks to which the Group is exposed and used as a management tool for the day-to-day operation of business. The system can provide reasonable but not absolute assurance against misstatements or losses. The management is primarily responsible for the design, implementation, and maintenance of the internal control system to safeguard the Shareholders’ investment and assets of the Group. Budgets and forecasts on all capital and revenue items are prepared and reviewed by senior management. The management monitors the business activities closely and reviews monthly financial results of operations against budgets/forecast.

The Internal Audit Department is assigned with the task to perform regular reviews on selected systems of the Group and will report audit review findings or irregularities, if any, to the management and advise on the implementation of necessary steps of systems to enhance operational or financial controls. The result of internal audit reviews and agreed action plans are reported to the Audit Committee and the Board.

Corporate Governance Report

Internal Controls – continued

During the Year, the management had analyzed the control environment and risk assessment, identified the various control systems implemented. The approach of the review includes conducting interviews with relevant management and staff members, reviewing relevant documentation of the internal control system and evaluating findings on any deficiencies in the design of the internal controls and developing recommendations for improvement, where appropriate. The scope and findings of the review had been reported to and reviewed by the Audit Committee.

The following policies and procedures are also in place to enhance the internal control system:

- i. Policies and checklists on control of rental revenue, control on lease terms & conditions, appointment of agency, control on asset security and performance review are in place for leasing of Group's premises;
- ii. Internal procedures on the acquisition of properties;
- iii. Regular reports on revenue, market receivables' ageing and debtors' ageing and internal financial reports are prepared to the management which give a balanced and understandable assessment of the Group's financial performance;
- iv. Surprise physical count of cash, chips and client deposits held in casino and coupons for casino are performed by Internal Audit Department to safeguard the assets;
- v. Regular review on operational systems of hotel and gaming business segments to ensure the service quality;
- vi. Monthly updates on key financial information are provided to all Directors, which give a balanced and understandable assessment of the Group's performance, position and prospects in sufficient details;
- vii. the Systems and Procedures on Disclosure of Inside Information to ensure, with the assistance of an internal work team (if required), that any material information which comes to the knowledge of any one or more officers should be promptly identified, assessed and escalated for the attention of the Board;
- viii. the policies and practices on compliance with legal and regulatory requirements which shall be reviewed and monitored regularly by the Corporate Governance Committee as delegated by the Board;
- ix. the establishment of a CCT Compliance Committee to monitor, control and regularly review continuing connected transactions of the Company and ensure proper compliance with all relevant laws and regulations and the Listing Rules and disclosure requirements; and
- x. a whistle-blowing policy for employees of the Group to raise concerns, in confidence, about possible improprieties in financial reporting, internal control or other matters. Such arrangement will be reviewed by the Audit Committee which ensures that proper arrangement is in place for fair and independent investigation of the matters.

The Board and the Audit Committee had conducted a review on the effectiveness of internal control system (including financial, operational, compliance controls, risk management functions) and the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting and financial reporting function. The Board considered that the Company has been maintaining a sound and effective internal controls to safeguard Shareholders' investment and the Group's assets.

Corporate Governance Report

Communication with Shareholders

The Company had established a shareholders' communication policy and the Board shall review it on a regular basis to ensure its effectiveness. The Company communicates with the Shareholders mainly in the following ways: (a) the holding of annual general meetings and special general meetings, if any, which may be convened for specific purposes which provide opportunities for the Shareholders to communicate directly with the Board; (b) the publication of announcements, annual reports, interim reports and/or circulars as required under the Listing Rules and press releases providing updated information of the Group; (c) the availability of latest information of the Group in the Company's website at www.EmperorInt.com; and (d) the holding of press conference(s) from time to time.

There is regular dialogue with institutional Shareholders and general presentations are made when financial results are announced. Shareholders and investors are welcome to visit the Company's website to raise enquiries through our Investor Relations Department whose contact details are available on the Company's website and the "Corporate Information and Key Dates" section of this annual report.

In order to protect the environment and save costs for the benefit of Shareholders, the Company has introduced the electronic means for receiving corporate communication by Shareholders. Shareholders may elect to receive printed or electronic copies of corporate communication. However, the Shareholders are encouraged to access corporate communication from the Company through the Company's website.

Separate resolutions are proposed at the general meetings for such substantial issues, including the re-election of retiring Directors. The Company's notice to the Shareholders for the 2014 AGM was sent to Shareholders at least 20 clear business days before the meeting and notices of all other general meetings were sent to the Shareholders at least 10 clear business days before the meetings.

The Chairperson of the 2014 AGM and the chairman/members of the Audit Committee, the Remuneration Committee, Nomination Committee and Corporate Governance Committee and the external auditor were available at the 2014 AGM to answer questions from the Shareholders. The Chairperson of the meeting had explained the procedures for conducting a poll during such meeting.

Shareholders' Rights

Set out below is a summary of certain rights of the Shareholders as required to be disclosed pursuant to the CG Code.

Convening a Special General Meeting ("SGM") and Putting Forward Proposals at General Meetings

Pursuant to the Bermuda Companies Act 1981 and Bye-laws of the Company, Shareholder(s) holding at the date of the deposit of the requisition not less than one-tenth (10%) of the paid-up capital of the Company carrying the right of voting at general meetings of the Company shall have the right to submit a written requisition requiring a SGM to be called by the Board. The written requisition (a) must state the object(s) of the meeting, and (b) must be signed by the requisitionists and deposited at the principal office of the Company for attention of the Company Secretary, and may consist of several documents in like form, each signed by one or more requisitionists. Such requisitions will be verified with the Company's Hong Kong Branch Share Registrar and upon its confirmation that the requisition is proper and in order, the Company Secretary will ask the Board to convene a SGM by serving sufficient notice to all Shareholders. On the contrary, if the requisition has been verified as not in order, the requisitionists will be advised of this outcome and accordingly, the SGM will not be convened as requested.

Corporate Governance Report

Shareholders' Rights – continued

Convening a Special General Meeting (“SGM”) and Putting Forward Proposals at General Meetings – continued

If the Directors do not within 21 days from the date of the deposit of the requisition proceed duly to convene a SGM for a day not more than two months after the date of deposit of such requisition, the requisitionists or any of them representing more than one-half of the total voting rights of all of them may convene a SGM, but any SGM so convened shall not be held after the expiration of 3 months from the said date of deposit of the requisition. A meeting convened by the requisitionists shall be convened in the same manner, as nearly as possible, as that in which meetings are to be convened by Directors.

Pursuant to the Bermuda Companies Act 1981, either any number of the registered Shareholders holding not less than one-twentieth (5%) of the paid-up capital of the Company carrying the right of voting at general meetings of the Company (“Requisitionists”), or not less than 100 of such registered Shareholders, can request the Company in writing to (a) give to the Shareholders entitled to receive notice of the next annual general meeting notice of any resolution which may properly be moved and is intended to be moved at that meeting; and (b) circulate to the Shareholders entitled to have notice of any general meeting any statement of not more than 1,000 words with respect to the matter referred to in any proposed resolution or the business to be dealt with at that meeting. The requisition signed by all the Requisitionists must be deposited at the principal office of the Company for attention of the Company Secretary with a sum reasonably sufficient to meet the Company’s relevant expenses and not less than six weeks before the meeting in case of a requisition requiring notice of a resolution or not less than one week before the meeting in the case of any other requisition. Provided that if, after a copy of the requisition requiring notice of a resolution has been deposited at the principal office of the Company, an annual general meeting is called for a date six weeks or less after the copy has been deposited, such requisition though not deposited within the time required shall be deemed to have been properly deposited for the purposes thereof.

Enquiries from Shareholders

Shareholders should direct their enquiries about their shareholdings to the Company’s Hong Kong Branch Share Registrar, Tricor Secretaries Limited. Other Shareholders’ enquiries can be directed to the Investor Relations Department of the Company whose contact details are shown on the “Corporate Information and Key Dates” section of this Annual Report.

Constitutional Documents

There are no significant changes in the Company’s constitutional documents during the Year.

Corporate Governance Report

Auditor's Independence and Remuneration

The Audit Committee is mandated to review and monitor the independence of the auditor to ensure objectivity and effectiveness of the audit process of the consolidated financial statements in accordance with applicable standards. Members of the Committee were of the view that the Company's auditor, Messrs. Deloitte Touche Tomatsu is independent and has recommended the Board to re-appoint it as the Company's auditor at the 2015 AGM. During the Year, Messrs. Deloitte Touche Tohmatsu, has rendered audit services and certain non-audit services to the Group and the remuneration paid/payable to it by the Group is set out as follows:

Service rendered	Fees paid/payable HK\$' 000
Audit services	6,763
Non-audit services	780
– Corporate exercise in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 400 “Comfort Letters and Due Diligence Meetings” issued by the Hong Kong Institute of Certified Public Accountants.	

Independent Auditor's Report

Deloitte.

德勤

**TO THE MEMBERS OF
EMPEROR INTERNATIONAL HOLDINGS LIMITED**
(incorporated in Bermuda with limited liability)

We have audited the consolidated financial statements of Emperor International Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 53 to 129, which comprise the consolidated statement of financial position as at 31 March 2015, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' Responsibility for the Consolidated Financial Statements

The directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with Section 90 of the Bermuda Companies Act, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independent Auditor's Report

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 March 2015, and of its financial performance and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
24 June 2015

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 March 2015

	Notes	2015 HK\$'000	2014 HK\$'000
Revenue	7	2,821,473	3,013,897
Cost of properties sales		(8,322)	(24,982)
Cost of hotel and hotel related operations		(635,647)	(567,789)
Direct operating expenses in respect of leasing of investment properties		(53,077)	(34,369)
Gross profit		2,124,427	2,386,757
Other income		129,598	123,394
Fair value changes of investment properties		737,708	1,385,251
Other gains and losses	9	(13,357)	2,884
Selling and marketing expenses		(563,316)	(602,272)
Administrative expenses		(492,566)	(422,745)
Finance costs	10	(296,432)	(218,151)
Share of result of a joint venture	19	(71)	—
Profit before taxation	11	1,625,991	2,655,118
Taxation	13	(350,298)	(265,688)
Profit for the year		1,275,693	2,389,430
Other comprehensive income			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of foreign subsidiaries		5,725	73,743
Total comprehensive income for the year		1,281,418	2,463,173
Profit for the year attributable to:			
Owners of the Company		898,129	1,858,140
Non-controlling interests		377,564	531,290
		1,275,693	2,389,430
Total comprehensive income for the year attributable to:			
Owners of the Company		903,849	1,931,444
Non-controlling interests		377,569	531,729
		1,281,418	2,463,173
Earnings per share	15		
Basic		HK\$0.24	HK\$0.51
Diluted		HK\$0.24	HK\$0.51

Consolidated Statement of Financial Position

At 31 March 2015

	Notes	2015 HK\$' 000	2014 HK\$' 000
Non-current assets			
Investment properties	16	36,525,060	33,140,675
Property, plant and equipment	17	3,261,792	3,088,093
Deposits paid for acquisition of investment properties/property, plant and equipment		127,390	6,399
Receivables related to a development project		187,471	187,244
Prepaid lease payments	18	625,876	644,578
Interest in a joint venture	19	572,474	–
Goodwill	21	56,683	56,683
Other assets	22	4,092	4,092
		41,360,838	37,127,764
Current assets			
Inventories	23	14,827	14,262
Properties held for sale	24	202,071	210,393
Properties under development for sale	25	2,641,237	2,148,806
Prepaid lease payments	18	18,702	18,702
Trade and other receivables	26	941,085	577,622
Derivative financial instruments	31	3,241	–
Taxation recoverable		11,520	10,490
Deposit in designated bank account for development properties	20	10,072	11,685
Pledged bank deposits	27	2,450,870	2,414,396
Short-term bank deposit	27	–	15,066
Bank balances and cash	27	1,356,769	764,769
		7,650,394	6,186,191

Consolidated Statement of Financial Position

At 31 March 2015

	Notes	2015 HK\$'000	2014 HK\$'000
Current liabilities			
Trade and other payables	28	2,138,073	926,167
Amount due to a related company	29	456,108	424,257
Amounts due to non-controlling interests of subsidiaries	30	152,576	188,566
Derivative financial instruments	31	1,084	8,496
Taxation payable		443,240	384,536
Bank and other borrowings – due within one year	33	2,861,948	2,085,713
		6,053,029	4,017,735
Net current assets			
		1,597,365	2,168,456
Total assets less current liabilities			
		42,958,203	39,296,220
Non-current liabilities			
Amount due to a related company	29	3,062,083	3,041,701
Unsecured notes	32	3,761,206	850,717
Derivative financial instruments	31	23,324	15,141
Bank and other borrowings – due after one year	33	6,665,704	7,094,984
Deferred taxation	34	998,088	759,891
		14,510,405	11,762,434
		28,447,798	27,533,786
Capital and reserves			
Share capital	35	36,718	36,718
Reserves		25,522,133	24,915,862
Equity attributable to owners of the Company		25,558,851	24,952,580
Non-controlling interests	37	2,888,947	2,581,206
		28,447,798	27,533,786

The consolidated financial statements on pages 53 to 129 were approved and authorised for issue by the Board of Directors on 24 June 2015 and are signed on its behalf by:

Wong Chi Fai
DIRECTOR

Fan Man Seung, Vanessa
DIRECTOR

Consolidated Statement of Changes in Equity

For the year ended 31 March 2015

	Attributable to owners of the Company							Total	Non-controlling interests	Total
	Share capital	Share premium	Translation reserve	Share option reserve	Asset revaluation reserve	Other reserve	Accumulated profits			
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000 (Note)	HK\$'000	HK\$'000	HK\$'000	
At 1 April 2013	36,668	4,542,224	249,315	6,031	127,255	423,802	17,963,089	23,348,384	2,108,304	25,456,688
Profit for the year	-	-	-	-	-	-	1,858,140	1,858,140	531,290	2,389,430
Exchange differences arising on translation of foreign subsidiaries	-	-	73,304	-	-	-	-	73,304	439	73,743
Total comprehensive income for the year	-	-	73,304	-	-	-	1,858,140	1,931,444	531,729	2,463,173
Issue of shares	50	9,760	-	(1,081)	-	-	-	8,729	-	8,729
Dilution of interest in a subsidiary as a result of allotment of shares by a subsidiary	-	-	-	(1,375)	-	10,515	-	9,140	12,860	22,000
Depreciation attributable to revaluation surplus	-	-	-	-	(1,810)	-	2,112	302	-	302
Acquisition of additional interests in subsidiaries (note 38)	-	-	-	-	-	(2,316)	-	(2,316)	(7,678)	(9,994)
Deemed capital contribution arising from fair value adjustment on initial recognition on amount due to a related company (note 29)	-	-	-	-	-	64,184	-	64,184	-	64,184
Dividend paid to owners of the Company										
- final dividend for 2013	-	-	-	-	-	-	(205,339)	(205,339)	-	(205,339)
- interim dividend for 2014	-	-	-	-	-	-	(201,948)	(201,948)	-	(201,948)
Dividend paid to non-controlling interests										
- final dividend for 2013	-	-	-	-	-	-	-	-	(34,659)	(34,659)
- interim dividend for 2014	-	-	-	-	-	-	-	-	(29,350)	(29,350)
At 31 March 2014	36,718	4,551,984	322,619	3,575	125,445	496,185	19,416,054	24,952,580	2,581,206	27,533,786

Consolidated Statement of Changes in Equity

For the year ended 31 March 2015

	Attributable to owners of the Company									
	Share capital HK\$'000	Share premium HK\$'000	Translation reserve HK\$'000	Share option reserve HK\$'000	Asset revaluation reserve HK\$'000	Other reserve HK\$'000 (Note)	Accumulated profits HK\$'000	Total HK\$'000	Non-controlling interests HK\$'000	Total HK\$'000
At 1 April 2014	36,718	4,551,984	322,619	3,575	125,445	496,185	19,416,054	24,952,580	2,581,206	27,533,786
Profit for the year	-	-	-	-	-	-	898,129	898,129	377,564	1,275,693
Exchange differences arising on translation of foreign subsidiaries	-	-	5,720	-	-	-	-	5,720	5	5,725
Total comprehensive income for the year	-	-	5,720	-	-	-	898,129	903,849	377,569	1,281,418
Depreciation attributable to revaluation surplus	-	-	-	-	(1,672)	-	1,954	282	-	282
Acquisition of additional interests in subsidiaries (note 38)	-	-	-	-	-	924	-	924	(8,772)	(7,848)
Deemed capital contribution arising from fair value adjustment on initial recognition on amount due to a related company (note 29)	-	-	-	-	-	101,440	-	101,440	-	101,440
Dividend paid to owners of the Company	-	-	-	-	-	-	(216,635)	(216,635)	-	(216,635)
- final dividend for 2014	-	-	-	-	-	-	(183,589)	(183,589)	-	(183,589)
- interim dividend for 2015	-	-	-	-	-	-	-	-	-	-
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	(36,743)	(36,743)
- final dividend for 2014	-	-	-	-	-	-	-	-	(24,313)	(24,313)
- interim dividend for 2015	-	-	-	-	-	-	-	-	-	-
At 31 March 2015	36,718	4,551,984	328,339	3,575	123,773	598,549	19,915,913	25,558,851	2,888,947	28,447,798

Note: The other reserve of the Group arose from (i) acquisition of additional interests in subsidiaries from non-controlling interests; (ii) dilution of interest in a subsidiary from allotment of shares by a subsidiary; and (iii) deemed capital contributions from owners of the Company.

Consolidated Statement of Cash Flows

For the year ended 31 March 2015

	2015 HK\$' 000	2014 HK\$' 000
Operating activities		
Profit before taxation	1,625,991	2,655,118
Adjustments for:		
Interest income	(89,929)	(63,592)
Interest expenses	291,236	207,970
Release of prepaid lease payments	18,702	8,866
Depreciation of property, plant and equipment	184,452	160,549
Share of result of a joint venture	71	–
Loss (gain) on disposal of property, plant and equipment	1,286	(8,852)
Reversal of write-downs of properties under development for sale	–	(508)
Increase in the fair value of investment properties	(737,708)	(1,385,251)
Unrealised fair value changes of derivative financial instruments and trading securities	13,357	(2,375)
(Reversal of) allowance for doubtful debts	(2,612)	4,306
Operating cash flows before movements in working capital	1,304,846	1,576,231
Increase in inventories	(565)	(83)
Decrease in properties held for sale	8,322	24,045
Increase in properties under development for sale	(436,480)	(308,510)
(Increase) decrease in trade and other receivables	(357,866)	138,196
Increase (decrease) in trade and other payables	1,150,879	(49,189)
Changes of derivative financial instruments	(15,827)	7,152
Cash generated from operations	1,653,309	1,387,842
Income tax paid		
– in Hong Kong	(55,436)	(252,493)
– in the People's Republic of China (the "PRC")	–	(4,413)
– in Macau	(3,601)	–
Net cash from operating activities	1,594,272	1,130,936

Consolidated Statement of Cash Flows

For the year ended 31 March 2015

	Note	2015 HK\$' 000	2014 HK\$' 000
Investing activities			
Withdrawal of pledged bank deposits		1,229,920	1,178
Proceeds from disposal of investment properties		238,450	39,757
Interest received		83,520	31,394
Withdrawal of short-term bank deposit		15,571	326,001
Proceeds from disposal of property, plant and equipment		2,057	11,090
Withdrawal of deposit in designated bank account for development properties		1,613	3,116
Acquisition of investment properties and costs incurred for investment properties under development		(2,787,640)	(2,341,108)
Placement of pledged bank deposits		(1,266,394)	(2,415,274)
Advance to a joint venture		(569,200)	–
Acquisition of property, plant and equipment		(331,543)	(488,054)
Deposits paid on acquisition of investment properties/property, plant and equipment		(126,693)	(6,399)
Placement of short-term bank deposit		(505)	(318,823)
Acquisition of prepaid lease payments		–	(362,300)
Net cash used in investing activities		(3,510,844)	(5,519,422)
Financing activities			
Bank and other loans raised		7,934,538	6,132,300
Issuance of unsecured notes		2,900,792	850,611
Advances from a related company		2,033,098	948,702
Proceeds from issue of shares		–	8,729
Repayments of bank and other borrowings		(7,185,567)	(3,588,738)
Repayments to a related company		(1,941,194)	(1,200,822)
(Repayments) drawn down of bank overdraft		(402,016)	407,887
Dividends paid to owners of the Company		(400,224)	(407,287)
Interest paid		(335,892)	(216,342)
Dividends paid to non-controlling interests of subsidiaries		(61,056)	(64,009)
Repayments to non-controlling interests of subsidiaries		(35,990)	(43,465)
Acquisition of additional interests in subsidiaries	38	(7,848)	(9,994)
Proceeds from issue of shares of Emperor Entertainment Hotel Limited		–	22,000
Net cash from financing activities		2,498,641	2,839,572
Net increase (decrease) in cash and cash equivalents		582,069	(1,548,914)
Cash and cash equivalents at the beginning of the year		764,769	2,309,974
Effect of foreign exchange rate changes		9,931	3,709
Cash and cash equivalents at the end of the year, representing bank balances and cash		1,356,769	764,769

Notes to the Consolidated Financial Statements

For the year ended 31 March 2015

1. General

The Company was incorporated in Bermuda as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The immediate holding company is Emperor International Group Holdings Limited, a limited liability company incorporated in British Virgin Islands (“BVI”). The ultimate holding company is Albert Yeung Holdings Limited (“AY Holdings”), a limited liability company incorporated in BVI, which is in turn held by STC International Limited (“STC International”) being the trustee of The Albert Yeung Discretionary Trust (“AY Trust”), the settlor and founder of which is Dr. Yeung Sau Shing, Albert (“Dr. Albert Yeung”). The address of the registered office and principal place of business of the Company are disclosed in the corporate information of the annual report.

The consolidated financial statements are presented in Hong Kong dollars (“HK\$”), which is also the functional currency of the Company.

The Company is an investment holding company. The principal activities of its subsidiaries are set out in note 47.

2. Application of New and Revised Hong Kong Financial Reporting Standards (“HKFRSs”)

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

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

* IFRIC represents the International Financial Reporting Interpretations Committee.

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

Change of accounting policy

In the current year, the Group has reassessed and changed its accounting policy regarding how incremental costs to obtain property sales contracts are accounted for. HKFRS 15 “Revenue from contracts with customers” that was issued by the HKICPA in July 2014 provides specific guidance on how such incremental costs should be accounted for; such costs are recognised as an asset to the extent that the Group expects to recover the costs and will be expensed in the profit or loss when the related consideration from customers are recognised as revenue. Prior to the change, HKAS 18 did not provide guidance on this area and the Group expensed the costs immediately when the expenditures were incurred. In the opinion of the directors of the Company (“Directors”), such a change better reflects the relationship between these costs and revenue and accordingly concluded that the change results in more relevant information being provided to users of consolidated financial statements. The change has been applied retrospectively and the change of accounting policy has no material effect to the Group’s consolidated financial statements for the current and prior years.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2015

2. Application of New and Revised Hong Kong Financial Reporting Standards (“HKFRSs”) – continued

New and revised HKFRSs issued but not yet effective

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

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

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

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

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

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

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

HKFRS 9 “Financial instruments”

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

Notes to the Consolidated Financial Statements

For the year ended 31 March 2015

2. Application of New and Revised Hong Kong Financial Reporting Standards (“HKFRSs”) – continued

HKFRS 9 “Financial instruments” – continued

Key requirements of HKFRS 9 are described below:

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

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

Notes to the Consolidated Financial Statements

For the year ended 31 March 2015

2. Application of New and Revised Hong Kong Financial Reporting Standards (“HKFRSs”) – continued

HKFRS 15 “Revenue from contracts with customers”

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

The core principle of HKFRS 15 is that 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.

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

The Directors anticipate that the application of the other new and revised HKFRSs will have no material impact on the consolidated financial statements.

3. Significant Accounting Policies

The consolidated financial statements have been prepared in accordance with HKFRSs and HKASs issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and by the Hong Kong Companies Ordinance.

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

Notes to the Consolidated Financial Statements

For the year ended 31 March 2015

3. Significant Accounting Policies – continued

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2, leasing transactions that are within the scope of HKAS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 or value in use in HKAS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2015

3. Significant Accounting Policies – continued

Basis of consolidation – continued

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein.

Allocation of total comprehensive income to non-controlling interests

Total comprehensive income and expense of a subsidiary is attributed to owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's ownership interest in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with HKAS 12 "Income taxes" and HKAS 19 "Employee benefits" respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with HKFRS 2 "Share-based payment" at the acquisition date (see the accounting policy below); and
- assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 "Non-current assets held for sale and discontinued operations" are measured in accordance with that standard.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2015

3. Significant Accounting Policies – continued

Business combinations – continued

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after re-assessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another HKFRS.

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see the accounting policy above) less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. For goodwill arising on an acquisition in a reporting period, the cash-generating unit to which goodwill has been allocated is tested for impairment before the end of that reporting period. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Investments in joint ventures

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2015

3. Significant Accounting Policies – continued

Investments in joint ventures – continued

The results and assets and liabilities of joint ventures are incorporated in the consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with HKFRS 5. The financial statements of joint ventures used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Under the equity method, an investment in a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the joint venture. When the Group's share of losses of a joint venture exceeds the Group's interest in that joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture.

An investment in a joint venture is accounted for using the equity method from the date on which the investee becomes a joint venture. On acquisition of the investment in a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The requirements of HKAS 39 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in a joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 "Impairment of assets" as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

When a group entity transacts with a joint venture of the Group, profits and losses resulting from the transactions with the joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the joint venture that are not related to the Group.

Interests in joint operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. When a group entity undertakes its activities under joint operations, the Group as a joint operator recognises in relation to its interest in a joint operation:

- its assets, including its share of any assets held jointly;
- its liabilities, including its share of any liabilities incurred jointly;
- its revenue from the sale of its share of the output arising from the joint operation;
- its share of the revenue from the sale of the output by the joint operation; and
- its expenses, including its share of any expenses incurred jointly.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2015

3. Significant Accounting Policies – continued

Interests in joint operations – continued

The Group accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the HKFRSs applicable to the particular assets, liabilities, revenues and expenses.

When a group entity transacts with a joint operation in which a group entity is a joint operator (such as a sale or contribution of assets), the Group is considered to be conducting the transaction with the other parties to the joint operation, and gains and losses resulting from the transactions are recognised in the Group's consolidated financial statements only to the extent of other parties' interests in the joint operation.

When a group entity transacts with a joint operation in which a group entity is a joint operator (such as a purchase of assets), the Group does not recognise its share of the gains and losses until it resells those assets to a third party.

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation including properties under development for such purposes.

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. All of the Group's property interests held under operating leases to earn rentals or for capital appreciation purposes are accounted for as investment properties and measured at fair value. Gains or losses arising from changes in the fair value of investment properties are included in profit or loss for the period in which they arise.

Construction costs incurred for investment properties under development are capitalised as part of the carrying amount of the investment properties under development.

Investment properties under development are measured at fair value at the end of the reporting period. Any difference between the fair value of the investment properties under development and their carrying amounts is recognised in profit or loss in the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss in the period in which the property is derecognised.

Transfer from investment properties to investment properties under development will be made when there is a change in use, evidenced by commencement of redevelopment of the properties with a view to earn rentals and for capital appreciation. The fair value of these properties at the date of transfer become the deemed cost of investment properties under development.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2015

3. Significant Accounting Policies – continued

Property, plant and equipment

Property, plant and equipment including leasehold land (classified as finance leases) and buildings held for use in the production or supply of goods or services, or for administrative purposes are stated in the consolidated statement of financial position at cost or deemed cost upon transfer from investment properties, less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Advantage has been taken of the transitional relief provided by paragraph 80A of HKAS 16 “Property, plant and equipment” from the requirement to make regular revaluations of the Group’s land and buildings which had been carried at revalued amounts prior to 30 September 1995, and accordingly no further revaluation of land and buildings is carried out. Prior to 30 September 1995, the revaluation increase arising on the revaluation of these assets was credited to the asset revaluation reserve. Any future decreases in value of these assets will be dealt with as an expense to the extent that they exceed the balance, if any, on the asset revaluation reserve relating to a previous revaluation of the same asset.

Depreciation is recognised so as to write off the cost, deemed cost or revalued amount of items of property, plant and equipment less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Costs include professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group’s accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Transfer of asset revaluation reserve to accumulated profits is made in relation to: (i) the subsequent sale or retirement of a revalued item; (ii) the excess of the depreciation based on the revalued amount of the item over depreciation based on the item’s original cost.

When it is evidenced by the commencement of owner-occupation, properties under development for sale is transferred to property, plant and equipment. The carrying value of the property at the date of the transfer become the deemed cost of that property.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2015

3. Significant Accounting Policies – continued

Impairment losses on assets other than goodwill (see the accounting policy in respect of goodwill above)

At the end of each reporting period, the Group reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessor

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Contingent rentals arising under operating leases are recognised as an income in the period in which they are generated.

The Group as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2015

3. Significant Accounting Policies – continued

Leasehold land and building

When a lease includes both land and building elements, the Group assesses the classification of each element as a finance or an operating lease separately based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the Group, unless it is clear that both elements are operating leases, in which case the entire lease is classified as an operating lease. Specifically, the minimum lease payments (including any lump-sum upfront payments) are allocated between the land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element of the lease at the inception of the lease.

To the extent the allocation of the lease payments can be made reliably, interest in leasehold land that is accounted for as an operating lease is presented as “prepaid lease payments” in the consolidated statement of financial position and is amortised over the lease term on a straight-line basis except for those that are classified and accounted for as investment properties under the fair value model and those transferred from investment properties to property, plant and equipment which is accounted for as if it were a finance lease after the transfer and included in property, plant and equipment. When the lease payments cannot be allocated reliably between land and building elements, the entire lease is generally classified as a finance lease and accounted for as property, plant and equipment.

Inventories

Catering goods

Catering goods are stated at the lower of cost and net realisable value. Cost is calculated using the first-in, first-out method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Properties held for sale

Properties held for sale are completed properties and are classified under current assets and are stated at the lower of cost and net realisable value. Net realisable value represents the estimated selling price less all anticipated costs to be incurred in marketing and selling.

Properties under development for sale

Properties under development for sale in the ordinary course of business are included in current assets and stated at the lower of cost (or deemed cost for those transferred from investment properties, see accounting policy on investment properties) and net realisable value. Costs relating to the development of the properties include land cost, construction cost and other direct development expenditure. Net realisable value represents the estimated selling price less all anticipated costs to be incurred in marketing and selling.

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2015

3. Significant Accounting Policies – continued

Financial instruments – continued

Financial assets

The Group's financial assets are classified into one of the two categories, including financial assets at fair value through profit or loss ("FVTPL") and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Interest income is recognised on an effective interest basis for debt instruments.

Financial assets at fair value through profit or loss

Financial assets at FVTPL are financial assets held for trading.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

Financial assets at FVTPL are measured at fair value, with changes in fair value arising from remeasurement recognised directly in profit or loss in the period in which they arise. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial assets.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables (including receivables related to a development project, deposit in designated bank account for development properties, trade and other receivables, pledged bank deposits, short-term bank deposit and bank balances and cash) are measured at amortised cost using the effective interest method, less any impairment.

Interest income is recognised by applying the effective interest rate, except for the short-term receivables where the recognition of interest would be immaterial.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2015

3. Significant Accounting Policies – continued

Financial instruments – continued

Financial assets – continued

Impairment of loans and receivables

Loans and receivables are assessed for indicators of impairment at the end of each reporting period. Loans and receivables are considered to be impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the loans and receivables, the estimated future cash flows of the loans and receivables have been affected.

Objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as default or delinquency in interest and principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For certain categories of financial asset, such as trade and other receivables, assets are assessed for impairment on a collective basis even if they were assessed not to be impaired individually. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, observable changes in national or local economic conditions that correlate with default on the receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate.

The carrying amount of the financial assets is reduced by the impairment loss directly for all financial assets with the exception of trade and other receivables, where the carrying amount is reduced through the use of an allowance account. When a trade and other receivables is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Financial liabilities and equity instruments

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities. Equity instruments issued by the group entities are recorded at the proceeds received, net of direct issue costs.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2015

3. Significant Accounting Policies – continued

Financial instruments – continued

Financial liabilities and equity instruments – continued

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest expense is recognised on an effective interest basis.

Financial liabilities at fair value through profit or loss

Financial liabilities are classified as at FVTPL when the financial liabilities are held for trading.

A financial liability classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

Financial liabilities at FVTPL are measured at fair value, with changes in fair value arising on remeasurement recognised directly in profit or loss in the period in which they arise. The net gain or loss recognised in profit or loss excludes any interest paid on the financial liabilities.

Other financial liabilities

Other financial liabilities (including trade and other payables, amounts due to a related company/non-controlling interests of subsidiaries, unsecured notes, bank and other borrowings) are subsequently measured at amortised cost, using the effective interest method.

For the amounts due to non-controlling interests of subsidiaries and amount due to a related company, if the Group revises its estimates of the timing of repayments, the carrying amounts are adjusted to reflect the revised estimated cash flows. The Group recalculates the carrying amounts by computing the present value of estimated future cash flows at the original effective interest rate. The difference is adjusted as deemed capital contribution by the non-controlling interests and owners of the Company in equity.

Derivative financial instruments

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of the reporting period. The resulting gain or loss is recognised in profit or loss immediately.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Group are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of the obligation under the contract, as determined in accordance with HKAS 37 “Provisions, contingent liabilities and contingent assets”; and
- the amount initially recognised less, where appropriate, cumulative amortisation recognised in accordance with the revenue recognition policies.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2015

3. Significant Accounting Policies – continued

Financial instruments – continued

Financial liabilities and equity instruments – continued

Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

The Group derecognises a financial liability when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal ordinary course of business, net of discounts and sales related taxes.

Revenue from the sale of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from sale of developed properties in the ordinary course of business is recognised when the respective properties have been completed and delivered to purchasers pursuant to the sales agreements. Deposits received from purchasers prior to meeting the above criteria for revenue recognition are included in the consolidated statement of financial position under current liabilities.

Revenue arising from services provided to a gaming operator in Macau under service arrangements for gaming operations in mass market halls, VIP room and slot machine hall is recognised when the provision of gaming-related marketing and public relation services are rendered and the Group is entitled to receive its service income according to the relevant operating performance from the gaming operator.

Revenue from hotel accommodation is recognised upon the provision of the accommodation services. Revenue from food and beverage sales and other ancillary services are recognised upon the provision of goods and services.

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2015

3. Significant Accounting Policies – continued

Revenue recognition – continued

Service income is recognised when the services are provided.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from "profit before taxation" as reported in the consolidated statement of profit or loss and other comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and interests in joint arrangements, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2015

3. Significant Accounting Policies – continued

Taxation – continued

For the purposes of measuring deferred tax liabilities and assets for investment properties that are measured using the fair value model in accordance with HKAS 40 “Investment property”, such properties are presumed to be recovered through sale. Such a presumption is rebutted when the investment property is depreciable and is held within a business model of the Group whose business objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. If the presumption is rebutted, deferred tax liabilities and assets for such investment properties are measured in accordance with the above general principles set out in HKAS 12 (i.e. based on the expected manner as to how the properties will be recovered).

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for exchange differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in other comprehensive income, in which cases, the exchange differences are also recognised directly in other comprehensive income.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group’s foreign operations are translated into the presentation currency of the Group (i.e. Hong Kong dollars) at the rates of exchanges prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the year. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of translation reserve (attributed to non-controlling interests as appropriate) and will be reclassified from equity to profit or loss on disposal of the foreign operations.

Share-based payment transactions

Share options granted to employees

The fair value of services received determined by reference to the fair value of share options granted at the grant date is recognised as an expense in full at the grant date when the share options granted vest immediately, with a corresponding increase in equity (share option reserve).

When the share options are exercised, the amount previously recognised in share option reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share option reserve will be transferred to accumulated profits.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2015

3. Significant Accounting Policies – continued

Retirement benefit costs

Payments to defined contribution retirement benefit schemes other than the costs directly attributable to the development of the properties, which are capitalised as part of the cost of qualified assets, are recognised as an expense when employees have rendered services entitling them to the contributions.

4. Critical Accounting Judgment and Key Sources of Estimation Uncertainty

In the application of the Group's accounting policies, which are described in note 3, the Directors are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

Critical judgment applying accounting policies

The following is the critical judgment, apart from those involving estimations (see below), that the Directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

Deferred taxation on investment properties

For the purposes of measuring deferred tax liabilities or assets arising from investment properties that are measured using the fair value model, the Directors have reviewed the Group's investment property portfolios and concluded that the Group's investment properties located in the PRC, Macau and United Kingdom ("UK") in the aggregate carrying amounts of HK\$7,922,362,000 as at 31 March 2015 (2014: HK\$6,336,200,000) are held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale. Therefore, the Directors have determined that the presumption that the carrying amounts of such investment properties located in the PRC, Macau and UK are recovered through sale is rebutted. As a result, the Group has recognised deferred tax liabilities of HK\$867,759,000 (2014: HK\$641,941,000) on changes in fair value of investment properties as the Group is subject to income tax in the respective jurisdictions, on the assumption that these investment properties will be recovered through use. In respect of investment properties that are located in Hong Kong with aggregate carrying amount of HK\$28,602,698,000 (2014: HK\$26,804,475,000), the Directors concluded that these investment properties are not held under a business model whose objective is to consume substantially all of the economic benefits embodied in these investment properties over time, rather than through sale. Therefore, in measuring the Group's deferred taxation on investment properties, the Directors have determined that the presumption that the carrying amounts of the investment properties located in Hong Kong measuring using the fair value model are recovered entirely through sale is not rebutted. As a result, the Group has not recognised any deferred taxes on changes in fair value of the investment properties situated in Hong Kong, as it is expected that the Group will not be subject to any income taxes on disposal of its investment properties situated in Hong Kong.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2015

4. Critical Accounting Judgment and Key Sources of Estimation Uncertainty – continued

Key sources of estimation uncertainty

The followings are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Fair value of investment properties

The investment properties of HK\$36,525,060,000 at 31 March 2015 (2014: HK\$33,140,675,000) are measured at fair value. The amount was based on a valuation on these properties conducted by an independent firm of professional valuers using property valuation techniques which involve certain key assumptions and inputs of market conditions, including:

- comparable market transactions with adjustments to reflect different locations or conditions; and
- comparable market rents and transactions, occupancy rate, discount rate and cost to be expended to complete the development of investment properties under construction.

The basis of valuation is disclosed in note 16. Changes to these assumptions and inputs would result in changes in the fair value of the Group's investment properties and corresponding adjustments to the amount of gain or loss reported in the profit or loss.

Estimated net realisable value on properties under development for sale

In determining whether write down should be made to the Group's properties under development for sale of HK\$2,641,237,000 (2014: HK\$2,148,806,000), the Group takes into consideration the current market environment and the estimated market value (i.e. the estimated selling price less estimated costs of selling expenses) less estimated costs to completion of the properties. Write down is made if the estimated market value less estimated cost to completion of the properties is less than the carrying amount. If the actual net realisable value on properties under development for sales is less than expected as a result of change in market condition and/or significant variation in the budgeted development cost, material write down may result.

Estimates of repayment of amounts due to non-controlling interests of a subsidiary

The Group's carrying amount of the interest-free amounts due to non-controlling interests of a subsidiary as at 31 March 2015 was HK\$150,000,000 (2014: HK\$186,000,000) (see note 30 for details). According to the shareholders' agreements, these amounts are repayable only when the indirect non wholly-owned subsidiary, Luck United Holdings Limited ("Luck United"), and its subsidiaries have surplus fund. Surplus fund represents available cash within these subsidiaries after payment of all operating expenses and payable, including but not limited to bank loans and third party loans which are due for repayment together with the accrued interest. The carrying amount of the amounts due to non-controlling interests of a subsidiary and the deemed contribution by non-controlling interests may be adjusted to reflect the revised estimated cash flows when the Group revises its estimates of the amount and timing of repayment to the non-controlling interests based on the cash flow forecasts and availability of surplus fund of Luck United and, consequently, affect the amount of imputed interest to be recognised in profit or loss, if any, over the expected life of the amounts due to non-controlling interests of a subsidiary.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2015

4. Critical Accounting Judgment and Key Sources of Estimation Uncertainty – continued

Key sources of estimation uncertainty – continued

Estimates of amount due to a related company

The Group's carrying amount of amount due to a related company as at 31 March 2015 is HK\$3,518,191,000 (2014: HK\$3,465,958,000) (see note 29 for details). There is no fixed repayment term and it was agreed with the related company that the Group will repay the amount based on the sufficiency of its operating cash flows. The carrying amount of the amount due to a related company and the deemed contribution by a related company may be adjusted to reflect the revised estimated cash flows when the Group revises its estimates of the amount and timing of repayment to the related company and consequently, affect the amount of imputed interest to be recognised in profit or loss over the expected life of the amount due to a related company.

Estimated provision for impairment of trade receivables

The Group makes allowance for bad and doubtful debts based on an assessment of the recoverability of debtors. Allowances are made on trade receivables whenever there is any objective evidence that the balances may not be collectible. In determining whether an allowance for bad and doubtful debts is required, the Group takes into consideration the aging status and the likelihood of collection. Following the identification of doubtful debts, the credit team discusses with the relevant customers and reports on the recoverability. Specific allowance is only made for trade receivables that are unlikely to be collected. Where the expectation on the recoverability of the debts is different from the original estimate, such difference will impact the carrying amounts of debtors and doubtful debt expenses in the periods in which such estimate has been changed.

The carrying amount of trade receivables as at 31 March 2015 is HK\$200,371,000 (2014: HK\$234,880,000) (see note 26 for details).

Deferred tax assets

At 31 March 2015, deferred tax assets of approximately HK\$28,748,000 (2014: HK\$26,517,000) (see note 34 for details) in relation to unused tax losses have been recognised in the Group's consolidated statement of financial position. No deferred tax assets have been recognised in respect of the remaining tax losses of HK\$609,973,000 (2014: HK\$521,537,000) due to unpredictability of future profit streams. The realisability of the deferred tax assets mainly depend on whether sufficient future profits or taxable temporary differences will be available in the future. In case where the actual future profits generated are less than expected, a material reversal of deferred tax assets may arise, which would be recognised in profit or loss for the period in which such a reversal takes place.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2015

4. Critical Accounting Judgment and Key Sources of Estimation Uncertainty – continued

Key sources of estimation uncertainty – continued

Fair value measurements and valuation processes

Some of the Group's assets and liabilities are measured at fair value for financial reporting purposes. The Directors have a designated team to determine the appropriate valuation techniques and inputs for fair value measurements.

In estimating the fair value of the Group's investment properties, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages third party qualified valuers to perform the valuation of the Group's investment properties. At the end of each reporting period, the management of the Group works closely with the qualified external valuers to establish and determine the appropriate valuation techniques and inputs for Level 2 and Level 3 fair value measurements. The Group will first consider and adopt Level 2 inputs where inputs can be derived observable quoted prices in the active market. When Level 2 inputs are not available, the Group will adopt valuation techniques that include Level 3 inputs. Where there is a material change in the fair value of the assets, the causes of the fluctuations will be reported to the Directors. Information about the valuation techniques and inputs used in determining the fair value of the Group's investment properties are disclosed in note 16.

In estimating the fair value of the Group's financial assets and liabilities at FVTPL (representing the Group's derivative financial instruments as disclosed in note 31), the Group uses market-observable data to the extent it is available. The management of the Group will assess the valuation of the derivative financial instruments based on discounted cash flow method at the end of the reporting period. The management of the Group will exercise their judgments based on their experience to establish and determine the appropriate valuation techniques and inputs to the valuation model. Where there is a material change in the fair value of the assets/liabilities, the causes of the fluctuations will be reported to the board of directors of the Company. Note 6 provides detailed information about the valuation techniques, inputs and key assumptions used in the determination of the fair value of the Group's financial assets/liabilities at FVTPL.

5. Capital Risk Management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of net debt, which includes the amount due to a related company, the amounts due to non-controlling interests of subsidiaries, unsecured notes, bank and other borrowings in notes 29, 30, 32 and 33 respectively, net of cash and cash equivalents and equity attributable to owners of the Company, comprising issued share capital and reserves.

The Directors review the capital structure on a regular basis. As part of this review, the Directors consider the cost of capital and the risks associates with each class of capital. Based on recommendations of the Directors, the Group will balance its overall capital structure through the payment of dividends, new share issues as well as the debt raising.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2015

6. Financial Instruments

(a) Categories of financial instruments

	2015 HK\$' 000	2014 HK\$' 000
Financial assets		
FVTPL		
Derivative financial instruments	3,241	–
Loans and receivables		
Receivables related to a development project	187,471	187,244
Deposit in designated bank account for development properties	10,072	11,685
Trade and other receivables	773,800	533,857
Pledged bank deposits	2,450,870	2,414,396
Short-term bank deposit	–	15,066
Bank balances and cash	1,356,769	764,769
	4,778,982	3,927,017
Financial liabilities		
FVTPL		
Derivative financial instruments	24,408	23,637
At amortised cost		
Trade and other payables	598,491	615,882
Amount due to a related company	3,518,191	3,465,958
Amounts due to non-controlling interests of subsidiaries	152,576	188,566
Unsecured notes	3,761,206	850,717
Bank and other borrowings	9,527,652	9,180,697
	17,558,116	14,301,820

(b) Financial risk management objectives and policies

The Group's major financial instruments are listed in above table. Details of the financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (foreign currency risk and interest rate risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risk

Foreign currency risk

Foreign currency risk refers to the risk that movement in foreign currency exchange rate which will affect the Group's financial results and its cash flows. Several subsidiaries of the Group have foreign currency sales and purchases, but the management considers the amount of foreign currency sales and purchase is insignificant. The management considers the Group does not expose to significant foreign currency risk in relation to transactions denominated in Macau Pataca ("MOP"). Exposures on balances which are denominated in MOP in group entities with HK\$ as functional currency are not considered significant because MOP is pegged to HK\$.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2015

6. Financial Instruments – continued

(b) Financial risk management objectives and policies – continued

Market risk – continued

Foreign currency risk – continued

The Group is exposed to foreign currency risk in relation to the outstanding foreign currency denominated monetary items at the end of the reporting period, which included trade and other receivables, pledged bank deposits, short-term bank deposit and bank balances and cash. The sensitivity to foreign currency risks arising from the outstanding foreign currency denominated monetary items has been determined based on the reasonably possible change in foreign currency exchange rates between Renminbi (“RMB”) and HK\$. For a 1% strengthening in RMB against HK\$, the Group’s profit for the year will be increased by HK\$25,437,000 (2014: HK\$24,830,000). If RMB had been weakened against HK\$ in an opposite magnitude and all other variables held constant, the potential effect on the results would be equal and opposite.

The Group is also exposed to foreign currency risk in relation to the outstanding foreign currency forward contracts at the end of the reporting period. The sensitivity to foreign currency risk arising from the foreign currency forward contracts has been determined based on the reasonably possible change in the forward exchange rate between RMB and HK\$. For a 5% strengthening in RMB against HK\$, the Group’s post-tax profit for the year will be increased by HK\$43,452,000 (2014: HK\$44,006,000). If RMB had been weakened against HK\$ in an opposite magnitude and all other variables held constant, the potential effect on the results would be equal and opposite.

Interest rate risk

The Group is exposed to fair value interest rate risk in relation to fixed-rate pledged bank deposits and short-term bank deposit, fixed rate other borrowings and fixed coupon rate unsecured notes. The Group is also exposed to cash flow interest rate risk in relation primarily to its bank balances, variable-rate amount due to a related company, interest rate swap contract and secured bank borrowings. The Group entered into a pay-fixed/receive-floating interest rate swap contract to mitigate its exposures to cash flow interest rate risk.

The Group’s cash flow interest rate risk is mainly concentrated on the fluctuation of Hong Kong Interbank Offered Rate (“HIBOR”) arising from the Group’s advances from a related company and secured bank borrowings.

The Group’s sensitivity to cash flow interest rate risk has been determined based on the exposure to interest rates for the abovementioned financial assets and liabilities at the end of the reporting period and the reasonably possible change taking place at the beginning of each year and held constant throughout the respective year. The management’s assessment of the reasonably possible change in interest rate and assuming that it took place at the beginning of each year and held constant throughout the respective year.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2015

6. Financial Instruments – continued

(b) Financial risk management objectives and policies – continued

Market risk – continued

Interest rate risk – continued

Except for bank balances and deposits using 5 basis points (2014: 5 basis points), if interest rates had been 100 basis points (2014: 100 basis points) higher and all other variables were held constant, the potential effect on post-tax profit for the year is as follows:

	2015 HK\$' 000	2014 HK\$' 000
Increase (decrease) in post-tax profit for the year		
– Bank balances	669	376
– Amount due to a related company	(29,377)	(28,941)
– Interest rate swap contract	5,032	8,812
– Bank and other borrowings	(57,794)	(44,763)
	(81,470)	(64,516)

If interest rates had been lower in an opposite magnitude and all other variables held constant, the potential effect on the results would be equal and opposite.

Credit risk

As at 31 March 2015, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties and financial guarantees provided by the Group is arising from:

- the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position; and
- the financial guarantee issued by the Group as disclosed in note 19.

In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt and receivables related to a development project at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the Directors consider that the Group's credit risk is significantly reduced.

The credit risk on liquid funds and deposits in designated bank account for development properties is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

The Group has concentration of credit risk as 78% (2014: 85%) and 79% (2014: 85%) of the total trade receivables which was due from the Group's largest customer and the five largest customers respectively within the hotel and hotel related operations. The Directors consider that there is no significant credit risk on the trade receivables from the five largest customers given their strong financial background and good creditability. The remaining trade receivables balances are spread over a number of customers.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2015

6. Financial Instruments – continued

(b) Financial risk management objectives and policies – continued

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management monitors the utilisation of banking facilities and ensures compliance with loan covenants.

The Group relies on secured bank borrowings, other borrowings and unsecured notes as significant source of liquidity. At 31 March 2015, based on the existing levels of bank balances and the existing banking facilities available, the Group will be able to meet its future cashflow requirements. Accordingly, the management considers that the Group's liquidity risk is minimal.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. Specifically, secured bank borrowings, with a repayment on demand clause are included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities are based on the agreed repayment dates.

The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is based on interest rate at the end of the reporting period.

In addition, the following table details the Group's liquidity analysis for its derivative financial liabilities. The tables have been drawn up based on the undiscounted contractual net cash outflows on derivative instruments that settle on a net basis. The liquidity analysis for the Group's derivative financial liabilities are prepared based on the contractual maturities as the management considers that the contractual maturities are essential for an understanding of the timing of the cash flows of derivatives.

Liquidity table

	Weighted average effective interest rate	Less than 1 year or repayable on demand HK\$' 000	1 year to 5 years HK\$' 000	Over 5 years HK\$' 000	Total undiscounted cash flows HK\$' 000	Total carrying amounts HK\$' 000
At 31 March 2015						
Non-derivative financial liabilities						
Trade and other payables	-	598,491	-	-	598,491	598,491
Amount due to a related company	3.27%	563,284	3,353,176	-	3,916,460	3,518,191
Amounts due to non-controlling interests of subsidiaries – non-interest bearing	-	152,576	-	-	152,576	152,576
Variable-rate bank overdraft	1.54%	5,871	-	-	5,871	5,871
Variable-rate secured bank borrowings	2.17%	3,068,971	5,290,453	1,764,559	10,123,983	9,521,781
Unsecured notes	5.41%	188,428	4,350,675	-	4,539,103	3,761,206
Financial guarantee (Note)	-	941,600	-	-	941,600	-
		5,519,221	12,994,304	1,764,559	20,278,084	17,558,116
Derivative-net settlement						
Interest rate swap contract – net	-	-	9,735	-	9,735	9,368
Foreign currency forward contracts – net	-	1,084	13,956	-	15,040	15,040
		1,084	23,691	-	24,775	24,408

Notes to the Consolidated Financial Statements

For the year ended 31 March 2015

6. Financial Instruments – continued

(b) Financial risk management objectives and policies – continued

Liquidity risk – continued

Liquidity table – continued

	Weighted average effective interest rate	Less than 1 year or repayable on demand HK\$'000	1 year to 5 years HK\$'000	Over 5 years HK\$'000	Total undiscounted cash flows HK\$'000	Total carrying amounts HK\$'000
At 31 March 2014						
Non-derivative financial liabilities						
Trade and other payables	–	615,882	–	–	615,882	615,882
Amount due to a related company	3.42%	604,672	3,422,130	–	4,026,802	3,465,958
Amounts due to non-controlling interests of subsidiaries – non-interest bearing	–	188,566	–	–	188,566	188,566
Variable-rate bank overdraft	1.51%	408,400	–	–	408,400	407,887
Variable-rate secured bank borrowings	2.19%	1,548,353	5,736,169	1,746,965	9,031,487	8,457,810
Fixed rate other borrowings	5%	322,292	–	–	322,292	315,000
Unsecured notes	4.85%	40,928	1,016,377	–	1,057,305	850,717
		3,729,093	10,174,676	1,746,965	15,650,734	14,301,820
Derivative-net settlement						
Interest rate swap contract – net	–	–	14,681	–	14,681	13,806
Foreign currency forward contracts – net	–	8,496	1,335	–	9,831	9,831
		8,496	16,016	–	24,512	23,637

Note: The amount included above for financial guarantee is the maximum amount the Group could be forced to settle under the arrangement for the full guaranteed amount if that amount is claimed by the counterparty to the guarantee. Based on expectations at the end of the reporting period, the Group considers that it is more likely than not that such an amount will not be payable under the arrangement. However, this estimate is subject to change depending on the probability of the counterparty claiming under the guarantee which is a function of the likelihood that the financial receivables held by the counterparty which are guaranteed suffer credit losses.

Secured bank borrowings with a repayment on demand clause are included in the “less than 1 year or repayable on demand” time band in the above maturity analysis. As at 31 March 2015 and 31 March 2014, the aggregate carrying amounts of these bank loans amounted to HK\$155,281,000 and HK\$131,650,000 respectively. Taking into account the Group’s financial position, the Directors do not believe that it is probable that the banks will exercise their discretionary rights to demand immediate repayment. The Directors believe that such secured bank borrowings will be repaid within fifteen years (2014: eight years) after the reporting date in accordance with the scheduled repayment dates set out in the loan agreements. At that time, the aggregate principal and interest cash outflows will amount to HK\$18,979,000, HK\$98,699,000 and HK\$50,284,000 (2014: HK\$16,131,000, HK\$90,724,000 and HK\$35,658,000) under the time band of “less than 1 year”, “1 year to 5 years” and “over 5 years” respectively.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2015

6. Financial Instruments – continued

(c) Fair value measurements of financial instruments

Fair value of the Group's financial assets and financial liabilities are measured at fair value on a recurring basis

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation techniques and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (Levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

Financial assets/liabilities	Fair value as at		Fair value hierarchy	Valuation techniques and key inputs
	2015 HK\$'000	2014 HK\$'000		
(i) Financial assets at FVTPL:			Level 2	Discounted cash flow: Future cashflows are estimated based on forward foreign currency rates (from observable yield curves at the end of the reporting period) and contract foreign currency rates, discounted at a rate that reflects the credit risk of various counterparties.
Foreign currency forward contracts	3,241	–		
Financial liabilities at FVTPL:				
Foreign currency forward contracts	(15,040)	(9,831)		
(ii) Financial liabilities at FVTPL:			Level 2	Discounted cash flow: Future cashflows are estimated based on forward interest rates (from observable yield curves at the end of the reporting period) and contract interest rates, discounted at a rate that reflects the credit risk of various counterparties.
Interest rate swap contract	(9,368)	(13,806)		

There were no transfers between Level 1, 2 and 3 during the years ended 31 March 2015 and 31 March 2014.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2015

7. Revenue

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

	2015 HK\$' 000	2014 HK\$' 000
Hotel and hotel related operations		
Service income from gaming operations	1,731,070	2,050,106
Hotel room income	169,852	97,559
Food and beverage sales	161,908	152,998
Others	15,396	13,953
	2,078,226	2,314,616
Sales of properties	12,750	60,005
Rental income from investment properties	730,497	639,276
	2,821,473	3,013,897

8. Segment Information

The Group's operating and reportable segments are lease of properties, properties development and hotel and hotel related operations for the purpose of resources allocation and assessment of performance.

The segment information reported externally was analysed on the basis of their products and services supplied by the Group's operating divisions which is consistent with the internal information that is regularly reviewed by the executive directors of the Company (the "Executive Directors"), the chief operating decision makers, 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 products and services.

Principal activities of the operating and reportable segments are as follows:

Lease of properties	–	Completed investment properties held for rental purpose
Properties development	–	Properties development and redevelopment for sale purpose
Hotel and hotel related operations	–	Hotel and hotel related operations in Macau and Hong Kong, including operations of mass market, VIP room, slot machine operations and provision of gaming-related marketing and public relation services for Grand Emperor Hotel in Macau

The Executive Directors review the hotel and hotel related operations in Macau along with that in Hong Kong and hence they are grouped and identified as a single operating segment – hotel and hotel related operations.

The accounting policies of the operating and reportable segments are the same as the Group's accounting policies described in note 3. Segment results represent the profit earned by or loss suffered from each segment without allocation of central administration costs, interest income, finance costs, share of result of a joint venture and fair value changes in derivative financial instruments. This is the measure reported to the Executive Directors for the purpose of resource allocation and performance assessment.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2015

8. Segment Information – continued

Information regarding the above segments is reported below:

For the year ended 31 March 2015

Segment revenue and results

	Lease of properties HK\$' 000	Properties development HK\$' 000	Hotel and hotel related operations HK\$' 000	Total HK\$' 000
Segment revenue – from external customers	730,497	12,750	2,078,226	2,821,473
Segment results	1,370,453	(64,293)	680,615	1,986,775
Interest income				89,929
Unallocated corporate expenses, net				(140,853)
Net loss on fair value changes in derivative financial instruments				(13,357)
Finance costs				(296,432)
Share of result of a joint venture				(71)
Profit before taxation				1,625,991
Taxation				(350,298)
Profit for the year				1,275,693

Other information

Amounts included in the measure of segment results:

Reversal of allowance for doubtful debts	–	–	2,612	2,612
Depreciation of property, plant and equipment	–	(683)	(155,266)	(155,949)
Release of prepaid lease payments	–	–	(18,702)	(18,702)
Fair value increase of investment properties	737,708	–	–	737,708

Amounts regularly provided to the Executive Directors but not included in the measure of segment results (included in unallocated corporate expenses, net):

	HK\$' 000
Depreciation of property, plant and equipment, at corporate level	28,503

Notes to the Consolidated Financial Statements

For the year ended 31 March 2015

8. Segment Information – continued

For the year ended 31 March 2014

Segment revenue and results

	Lease of properties HK\$' 000	Properties development HK\$' 000	Hotel and hotel related operations HK\$' 000	Total HK\$' 000
Segment revenue – from external customers	639,276	60,005	2,314,616	3,013,897
Segment results	1,958,064	24,245	897,215	2,879,524
Interest income				63,592
Unallocated corporate expenses, net				(72,223)
Net gain on fair value changes in derivative financial instruments				2,376
Finance costs				(218,151)
Profit before taxation				2,655,118
Taxation				(265,688)
Profit for the year				2,389,430

Other information

Amounts included in the measure of segment results:

Allowance for doubtful debts	–	–	(4,306)	(4,306)
Depreciation of property, plant and equipment	–	(1,154)	(137,189)	(138,343)
Release of prepaid lease payments	–	–	(8,866)	(8,866)
Reversal of write-downs of properties under development for sale	–	508	–	508
Fair value increase of investment properties	1,385,251	–	–	1,385,251

Amounts regularly provided to the Executive Directors but not included in the measure of segment results (included in unallocated corporate expenses, net):

	HK\$' 000
Depreciation of property, plant and equipment, at corporate level	22,206

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

Notes to the Consolidated Financial Statements

For the year ended 31 March 2015

8. Segment Information – continued

Geographical information

The Group's operations are located in Hong Kong, the PRC, Macau and UK.

The Group's revenue from external customers and information about its non-current assets, other than receivables related to a development project and interest in a joint venture, by geographical location of the assets are detailed below:

	Revenue from customers		Non-current assets	
	For the year ended 31 March		As at 31 March	
	2015	2014	2015	2014
	HK\$' 000	HK\$' 000	HK\$' 000	HK\$' 000
Hong Kong	764,196	730,671	30,488,098	28,349,355
The PRC	5,664	6,024	4,896,888	3,892,164
Macau	2,047,544	2,277,202	4,813,145	4,699,001
UK	4,069	–	402,762	–
	2,821,473	3,013,897	40,600,893	36,940,520

Information about major customers

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

9. Other Gains and Losses

	2015	2014
	HK\$' 000	HK\$' 000
Net (loss) gain on fair value changes in derivative financial instruments	(13,357)	2,376
Reversal of write-downs of properties under development for sale (Note)	–	508
	(13,357)	2,884

Note: During the year ended 31 March 2014, the management reviewed the recoverability of the properties under development for sale with reference to the current market environment and reversed the previously recognised write-downs of HK\$508,000. The carrying amounts of the properties at 31 March 2014 were increased to the revised estimated recoverable amount but did not exceed the cost of these properties.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2015

10. Finance Costs

	2015 HK\$' 000	2014 HK\$' 000
Interest on:		
– bank borrowings wholly repayable within five years	131,435	99,975
– bank borrowings not wholly repayable within five years	65,572	63,419
– other borrowings wholly repayable within five years	4,229	628
– unsecured notes wholly repayable within five years	114,851	11,815
– amount due to a related company	53,103	52,321
	369,190	228,158
Imputed interest expense on amount due to a related company	61,769	66,282
	430,959	294,440
Less: amount capitalised in the cost of qualifying assets	(139,723)	(86,470)
	291,236	207,970
Bank charges	5,196	10,181
	296,432	218,151

Borrowing costs capitalised during the year arose on the general borrowing pool and are calculated by applying capitalisation rates ranging from 2.01% to 2.62% (2014: from 1.67% to 1.78%) per annum.

11. Profit Before Taxation

	2015 HK\$' 000	2014 HK\$' 000
Profit before taxation has been arrived at after charging (crediting):		
Auditor's remuneration	6,763	6,750
(Reversal of) allowance for doubtful debts	(2,612)	4,306
Depreciation of property, plant and equipment	184,452	160,549
Release of prepaid lease payments	18,702	8,866
Commission expenses in gaming operations (included in selling and marketing expenses)	412,297	523,618
Fair value change on trading securities	–	1
Operating lease rentals in respect of rented premises	8,309	6,704
Net exchange loss	48,939	51,798
Staff costs, including Directors' remuneration and retirement benefit scheme contributions (note 12)	648,471	570,050
Cost of properties held for sale recognised as an expense	8,322	24,982
Cost of inventories in respect of hotel and hotel related operations recognised as an expense	53,830	51,947
Loss (gain) on disposal of property, plant and equipment	1,286	(8,852)
Interest income	(89,929)	(63,592)

Notes to the Consolidated Financial Statements

For the year ended 31 March 2015

12. Directors', Chief Executives' and Employees' Emoluments

(i) Directors' emoluments

	Luk Siu Man, Semon HK\$' 000	Wong Man Seung, Chi Fai HK\$' 000	Fan Man Seung, Vanessa HK\$' 000	Cheung Ping Keung HK\$' 000	Chan Man Hon, Eric HK\$' 000 (Note c)	Wong Tak Ming, Gary HK\$' 000 (Note d)	Cheng Ka Yu HK\$' 000	Liu Hing Hung HK\$' 000	Total HK\$' 000
2015									
Fees	-	300	300	150	-	200	200	200	1,350
Other emoluments:									
Salaries and other benefits (Note a)	-	3,744	2,004	4,248	-	-	-	-	9,996
Performance related incentive payment (Note b)	-	4,000	4,000	6,000	-	-	-	-	14,000
Retirement benefit scheme contributions	-	262	140	18	-	-	-	-	420
Total emoluments	-	8,306	6,444	10,416	-	200	200	200	25,766
2014									
Fees	-	300	300	150	71	130	200	200	1,351
Other emoluments:									
Salaries and other benefits (Note a)	-	3,492	1,752	4,020	-	-	-	-	9,264
Performance related incentive payment (Note b)	-	3,500	3,500	4,000	-	-	-	-	11,000
Retirement benefit scheme contributions	-	244	123	15	-	-	-	-	382
Total emoluments	-	7,536	5,675	8,185	71	130	200	200	21,997

Notes:

- (a) Other benefits include non-exclusive use of motor vehicles, yacht, club debentures and membership.
- (b) The performance related incentive payment is determined with reference to the operating results, individual performance and comparable market statistics for the year.
- (c) Mr. Chan Man Hon, Eric retired as Director on 8 August 2013.
- (d) Mr. Wong Tak Ming, Gary was appointed as a Director on 8 August 2013.

The Chief Executives of the Company are also the Directors and therefore the emoluments of the Chief Executives have been disclosed above.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2015

12. Directors', Chief Executives' and Employees' Emoluments – continued

(ii) Employees' emoluments

Of the five individuals with the highest emoluments in the Group, three (2014: three) were Directors whose emoluments are set out above. The total emoluments of the remaining two (2014: two) individuals were as follows:

	2015 HK\$' 000	2014 HK\$' 000
Salaries and other benefits	16,299	17,730
Retirement benefit scheme contributions	214	–
	16,513	17,730

Their emoluments were within the following bands:

	2015 HK\$' 000	2014 HK\$' 000
HK\$6,500,001 to HK\$7,000,000	1	–
HK\$8,500,001 to HK\$9,000,000	–	1
HK\$9,000,001 to HK\$9,500,000	–	1
HK\$9,500,001 to HK\$10,000,000	1	–

No emolument was recognised or paid by the Group to the Directors as compensation for loss of office and inducement to join for both years. No Director had waived any emoluments during both years.

(iii) Retirement benefit scheme

The Group participates in both defined contribution schemes which is registered under the Hong Kong Occupational Retirement Scheme Ordinance (the “ORSO” Scheme) and the mandatory provident fund scheme (“MPF Scheme”) established under the Hong Kong Mandatory Provident Fund Scheme Ordinance in December 2000. The assets of the schemes are held separately from those of the Group, in funds under the control of independent trustees. Employees who were members of the ORSO Scheme prior to the establishment of the MPF Scheme were offered a choice of staying within the ORSO Scheme or switching to the MPF Scheme, whereas all new employees joining the Group on or after 1 December 2000 are required to join the MPF Scheme.

The retirement benefit cost charged to profit or loss represents contributions payable to the funds by the Group at rates specified in the rules of the schemes. Where there are employees who leave the ORSO Scheme prior to vesting fully in the contributions, the contributions payable by the Group are reduced by the amount of forfeited contributions.

The Group also operates a defined contribution retirement scheme for all qualifying employees of a subsidiary of the Group in Macau since 1 September 2014. The assets of the scheme are held separately from those of the Group in funds under control of independent trustees. The retirement scheme cost recognised in profit or loss represents contributions payable to funds by the Group at rates specified in the rules of the scheme. Where there are employees of the Group who leave the scheme prior to vesting fully in the contributions, the contributions payable by the Group are reduced by the amount of forfeited contributions.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2015

12. Directors', Chief Executives' and Employees' Emoluments – continued

(iii) Retirement benefit scheme – continued

The employees of the Group's subsidiaries in Macau and the PRC are members of state-managed retirement benefit schemes operated by the Macau and PRC government. The Group is required to contribute a certain percentage of its payroll to the retirement benefit schemes to fund the benefits. The only obligation of the Group with respect to the retirement benefit schemes is to make the required contributions under the scheme.

During the year, the retirement benefit schemes contributions were HK\$18,175,000 (2014: HK\$6,444,000).

13. Taxation

	2015 HK\$'000	2014 HK\$'000
Tax charge comprises:		
Current tax		
Hong Kong Profits Tax	51,540	47,230
Macau Complementary Income Tax ("CT")	83,763	110,764
The PRC Land Appreciation Tax ("LAT")	–	225
	135,303	158,219
Reversal of CT provision in prior years	(21,846)	(22,339)
(Over)under provision in prior years		
Hong Kong Profits Tax	(120)	4,994
The PRC Enterprise Income Tax ("EIT")	3,369	–
	3,249	4,994
Deferred taxation (<i>note 34</i>)		
Current year	233,592	124,814
	350,298	265,688

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits for both years.

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% from 1 January 2008 onwards.

The 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 be lapsed in five consecutive years after that year of assessment. At the end of the reporting period, the Directors reassessed the adequacy of the CT provision and determined to reverse part of the Group's relevant CT provision of HK\$21,846,000 for the 2009 year of assessment (2014: HK\$22,339,000 for the 2008 year of assessment) accordingly.

The provision of LAT in prior year was estimated according to the requirements set forth in the relevant PRC tax laws and regulations. LAT had been provided at ranges of progressive rates of the appreciation value, with certain allowable deductions including land costs, borrowing costs and the relevant property development expenditures.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2015

13. Taxation – continued

The taxation charge for the year can be reconciled to the profit before taxation per consolidated statement of profit or loss and other comprehensive income as follows:

	2015 HK\$' 000	2014 HK\$' 000
Profit before taxation	1,625,991	2,655,118
Tax charge at Hong Kong Profits Tax of 16.5%	268,289	438,095
Tax effect of share of result of a joint venture	12	–
Tax effect of income not taxable for tax purpose	(206,401)	(177,115)
Tax effect of expenses not deductible for tax purpose	253,450	44,410
The PRC LAT (net of tax effect on deduction of EIT)	–	169
Utilisation of tax losses previously not recognised	(871)	(6,163)
Tax effect of tax losses not recognised	16,473	5,491
Effect of different tax rates of subsidiaries operating in other jurisdictions	37,432	(22,834)
Reversal of tax provision in prior years	(21,846)	(22,339)
Underprovision in prior years	3,249	4,994
Others	511	980
Taxation for the year	350,298	265,688

14. Dividends

	2015 HK\$' 000	2014 HK\$' 000
Dividends recognised as distribution during the year:		
Final dividend paid for 2014: HK\$0.059 per share (2014: HK0.056 per share in respect of 2013)	216,635	205,339
Interim dividend paid for 2015: HK\$0.05 per share (2014: HK\$0.055 per share in respect of 2014)	183,589	201,948
	400,224	407,287

The final dividend of HK\$0.06 per share in respect of the year ended 31 March 2015 (2014: final dividend of HK\$0.059 per share) amounting to approximately HK\$220,307,000 has been proposed by the Directors and is subject to approval by the shareholders in the forthcoming annual general meeting.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2015

15. Earnings Per Share

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

	2015 HK\$' 000	2014 HK\$' 000
Earnings		
Earnings (profit for the year attributable to owners of the Company) for the purposes of basic and diluted earnings per share	898,129	1,858,140

	2015	2014
Number of shares		
Weighted average number of ordinary shares in issue for the purpose of basic earnings per share	3,671,776,192	3,668,296,740
Effect of dilutive potential ordinary shares: Share options of the Company	–	3,163,576
Weighted average number of ordinary shares for the purpose of diluted earnings per share	3,671,776,192	3,671,460,316

The calculation of diluted earnings per share is based on the profit for the year attributable to owners of the Company and the weighted average number of ordinary shares adjusted by the weighted average number of ordinary shares assumed to have been issued under the Company's share option scheme. The Company does not have any dilutive potential ordinary share for the year. There is no dilutive effect on the exercise of share options of the Company's subsidiary, Emperor Entertainment Hotel Limited ("Emperor E Hotel") for the year ended 31 March 2015 as all share options of Emperor E Hotel were exercised during the year ended 31 March 2014. The dilutive effect on the exercise of share options of Emperor E Hotel was immaterial for the year ended 31 March 2014.

16. Investment Properties

	Completed investment properties HK\$' 000	2015 Investment properties under development HK\$' 000	Total HK\$' 000	Completed investment properties HK\$' 000	2014 Investment properties under development HK\$' 000	Total HK\$' 000
<u>At fair value</u>						
At 1 April	26,495,675	6,645,000	33,140,675	23,332,827	6,025,000	29,357,827
Exchange realignment	875	4,056	4,931	1,960	59,720	61,680
Additions	2,438,044	442,152	2,880,196	2,180,913	194,761	2,375,674
Disposals	(238,450)	–	(238,450)	(39,757)	–	(39,757)
Reclassified from investment properties under development to completed investment properties	–	–	–	1,700,000	(1,700,000)	–
Reclassified from completed investment properties to investment properties under development	–	–	–	(1,499,300)	1,499,300	–
(Decrease) increase in fair value, net	(287,084)	1,024,792	737,708	819,032	566,219	1,385,251
At 31 March	28,409,060	8,116,000	36,525,060	26,495,675	6,645,000	33,140,675

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For the year ended 31 March 2015

16. Investment Properties – continued

The carrying amount of investment properties at the end of the reporting period comprises:

	2015 HK\$' 000	2014 HK\$' 000
Situated in Hong Kong under:		
– long leases	17,750,492	16,978,540
– medium-term leases	10,852,206	9,825,935
Situated in PRC under:		
– long leases	1,714,000	1,602,000
– medium-term leases	3,175,000	2,282,000
Situated in Macau under:		
– long leases	291,000	270,000
– medium-term leases	732,000	720,200
– short leases	1,607,600	1,462,000
Freehold situated in UK	402,762	–
	36,525,060	33,140,675

All of the Group's property interests held under operating leases to earn rentals or for capital appreciation purposes are measured using the fair value model and are classified and accounted for as investment properties.

The fair values of the Group's investment properties at 31 March 2015 and 31 March 2014 and at dates of transfers have been arrived at on the basis of a valuation carried out on those dates by Memfus Wong Surveyors Limited, an independent firm of qualified professional property valuers not connected with the Group, in accordance with the HKIS Valuation Standards (2012 Edition) issued by Hong Kong Institute of Surveyors.

For completed investment properties, the valuations have been arrived at with reference to market evidence of recent transaction prices for similar properties and rental income using the applicable market yields for the respective locations and types of properties.

For investment properties under development, the valuations have been arrived at assuming that the investment properties will be completed in accordance with the development proposals and the relevant approvals for the proposals have been obtained. The valuations include key factors such as the market value of the completed investment properties, which are estimated with reference to recent sales evidence of similar properties in the nearest locality as available in the relevant market with adjustments made by the valuers to accounts for differences in the locations and other factors specific to determine the potential sales proceeds, and deducting the development costs and required profit margin from the investment properties which are derived from the interpretation of prevailing investors' requirements or expectations at the valuation dates.

During the year, the net interest capitalised in investment properties under development amounted to HK\$59,232,000 (2014: HK\$31,872,000).

In estimating the fair value of the properties, the highest and best use of the properties is their current use.

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16. Investment Properties – continued

There has been no change to the valuation technique during the year. The following table gives information about how the fair values of these investment properties are determined (in particular, the valuation techniques and key inputs used), as well as the fair value hierarchy into which the fair value measurements are categorised (Level 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

Investment properties held by the Group	Fair value		Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable inputs	Sensitivity/relationship of unobservable inputs to fair value
	2015 HK\$'000	2014 HK\$'000				
Hong Kong						
Retail shops/complexes	17,416,323	17,246,130	Level 3	Direct comparison method with market unit rate as the key input	Market unit rate, mainly taking into account the time, location, frontage and size, between the comparables, which ranged from HK\$5,800 to HK\$1,400,000 (2014: HK\$5,800 to HK\$1,540,000) per square feet	A significant increase in the market unit rate used would result in a significant increase in the fair value of the investment properties, and vice versa.
Retail shops/complexes	3,675,000	4,064,000	Level 3	Income capitalisation method with market unit rent and capitalisation rate as the key inputs	Monthly rent, based on net floor area using direct market comparables and taking into account of time, location, frontage and size of properties, which ranged from HK\$25 to HK\$2,300 (2014: HK\$40 to HK\$2,500) per square feet	The higher the monthly rent, the higher the fair value, and vice versa.
					Capitalisation rate, taking into account the capitalisation of rental income potential, nature of the properties, prevailing market condition, which ranged from 2.8% to 3.3% (2014: 2.7% to 5%) per annum	The higher the capitalisation rate, the lower the fair value, and vice versa.
Retail/commercial/residential properties under development	1,945,000	1,610,000	Level 3	Residual method The key inputs are:		
				(1) Gross development value	Gross development value on completion basis, mainly taking into account the time, location, design, frontage, layout and size between the comparables and the properties	The higher the gross development value, the higher the fair value, and vice versa.
				(2) Budgeted costs	Budgeted construction and other costs	The higher the budgeted costs, the lower the fair value, and vice versa.
				(3) Developer's profit	Developer's profit at 2.5% (2014: 10%), taking into account the construction progress of the property	The higher the developer's profit, the lower the fair value, and vice versa.

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For the year ended 31 March 2015

16. Investment Properties – continued

Investment properties held by the Group	Fair value		Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable inputs	Sensitivity/relationship of unobservable inputs to fair value
	2015	2014				
	HK\$'000	HK\$'000				
Hong Kong						
Offices premises	3,175,150	2,454,030	Level 3	Direct comparison method with market unit rate as the key input	Market unit rate, mainly taking into account the time, location, quality, floor level and size, between the comparables, which ranged from HK\$5,900 to HK\$20,000 (2014: HK\$5,600 to HK\$20,900) per square feet	A significant increase in the market unit rate used would result in a significant increase in the fair value of the investment properties, and vice versa.
Industrial premises	1,608,095	724,095	Level 3	Direct comparison method with market unit rate as the key input	Market unit rate, mainly taking into account the time, location, quality, floor level and size, between the comparables, which ranged from HK\$1,650 to HK\$7,100 (2014: HK\$1,600 to HK\$6,300) per square feet	A significant increase in the market unit rate used would result in a significant increase in the fair value of the investment properties, and vice versa.
Residential premises	783,130	706,220	Level 3	Direct comparison method with market unit rate as the key input	Market unit rate, mainly taking into account the time, location, quality, view, floor level and size, between the comparables, which ranged from HK\$4,600 to HK\$25,000 (2014: HK\$3,900 to HK\$18,400) per square feet	A significant increase in the market unit rate used would result in a significant increase in the fair value of the investment properties, and vice versa.
Macau						
Retail shops/complexes	1,190,500	1,146,700	Level 3	Direct comparison method with market unit rate as the key input/Income capitalisation method with market unit rent and capitalisation rate as the key inputs	Market unit rate, mainly taking into account the time, location, frontage and size, between the comparables, which ranged from HK\$7,700 to HK\$171,000 (2014: HK\$6,900 to HK\$159,700) per square feet Monthly rent, based on net floor area using direct market comparables and taking into account of time, location, frontage and size of properties, which ranged from HK\$300 to HK\$1,700 (2014: HK\$300 to HK\$1,300) per square feet Capitalisation rate, taking into account the capitalisation of rental income potential, nature of properties, prevailing market condition, which ranged from 4.0% to 4.5% (2014: 3.5% to 4.5%) per annum	A significant increase in the market unit rate used would result in a significant increase in the fair value of the investment properties, and vice versa. A significant increase in the market unit rate used would result in a significant increase in the fair value of the investment properties, and vice versa. The higher the capitalisation rate, the lower the fair value, and vice versa.

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For the year ended 31 March 2015

16. Investment Properties – continued

Investment properties held by the Group	Fair value		Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable inputs	Sensitivity/relationship of unobservable inputs to fair value
	2015	2014				
	HK\$'000	HK\$'000				
Macau						
Retail/commercial properties under development	1,397,000	1,263,000	Level 3	Residual method The key inputs are:		
				(1) Gross development value	Gross development value on completion basis, mainly taking into account the time, location, design frontage, layout and size between the comparables and the properties	The higher the gross development value, the higher the fair value, and vice versa.
				(2) Level adjustment	Level adjustment on individual floor of the properties ranged from about 20% to 35% (2014: 20% to 35%) on specific levels	The higher the upward level adjustment, the higher the fair value, and vice versa.
				(3) Budgeted costs	Budgeted construction and other costs	The higher the budgeted costs, the lower the fair value, and vice versa.
				(4) Developer's profit	Developer's profit ranged at 10% (2014: 12.5%), taking into account the construction progress of the property	The higher the developer's profit, the lower the fair value, and vice versa.
Residential premises	43,100	42,500	Level 3	Direct comparison method with market unit rate as the key input	Market unit rate, mainly taking into account the time, location, quality, view, floor level and size, between the comparables, which ranged from HK\$7,700 to HK\$7,900 (2014: HK\$7,700) per square feet	A significant increase in the market unit rate used would result in a significant increase in the fair value of the investment properties, and vice versa.
PRC						
Retail shops/complexes	115,000	112,000	Level 3	Direct comparison method with market unit rate as the key input	Market unit rate, mainly taking into account the time, location, frontage and size, between the comparables, which ranged from HK\$2,200 to HK\$3,900 (2014: HK\$2,100 to HK\$3,900) per square feet	A significant increase in the market unit rate used would result in a significant increase in the fair value of the investment properties, and vice versa.

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For the year ended 31 March 2015

16. Investment Properties – continued

Investment properties held by the Group	Fair value		Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable inputs	Sensitivity/relationship of unobservable inputs to fair value
	2015	2014				
	HK\$'000	HK\$'000				
PRC						
Retail/commercial properties under development	4,774,000	3,772,000	Level 3	Residual method The key inputs are:		
				(1) Gross development value	Gross development value on completion basis, mainly taking into account the time, location, design frontage, layout and size between the comparables and the properties	The higher the gross development value, the higher the fair value, and vice versa.
				(2) Level adjustment	Level adjustment on individual floor of the properties ranged from about 50% to 80% (2014: 55% to 85%) on specific levels	The higher the upward level adjustment, the higher the fair value, and vice versa.
				(3) Budgeted costs	Budgeted construction and other costs	The higher the budgeted costs, the lower the fair value, and vice versa.
				(4) Developer's profit	Developer's profit ranged from 12% to 30% (2014: 15% to 30%), taking into account the construction progress of the properties	The higher the developer's profit, the lower the fair value, and vice versa.
UK						
Retail shops/complexes	402,762	–	Level 3	Income capitalisation method with market unit rent and capitalisation rate as the key inputs	Monthly rent, based on net floor area using direct market comparables and taking into account of time, location, frontage and size of properties, which ranged from HK\$24 to HK\$500 (2014: nil) per square feet	A significant increase in the market unit rate used would result in a significant increase in the fair value of the investment properties, and vice versa.
					Capitalisation rate, taking into account the capitalisation of rental income potential, nature of the properties, prevailing market condition, which ranged from 2.8% to 3% (2014: nil) per annum	The higher the capitalisation rate, the lower the fair value, and vice versa.

Joint operation relating to the investment property under development in the PRC

The subsidiaries of the Company, Expert Pearl Investment Limited and its subsidiaries (collectively referred to as the “Expert Pearl Group”) entered into a joint venture agreement (the “JV Agreement”) with Shanghai Zhangxi Investment Development Co., Ltd. (the “JV Partner”) to jointly develop investment property under development located in Shanghai (the “Property”). Expert Pearl Group and the JV Partner intend to develop the Property into a commercial complex (the “Project”). Under the JV Agreement, the saleable floor area would be split between the parties in equal shares for share of potential sales proceeds after the completion of the development of the Project. Pursuant to the terms of the JV Agreement, the Project is accounted as the joint operation.

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17. Property, Plant and Equipment

	Leasehold land and buildings HK\$' 000	Hotel properties HK\$' 000	Leasehold improvements HK\$' 000	Hotel properties under construction HK\$' 000	Others HK\$' 000	Total HK\$' 000
COST OR DEEMED COST						
At 1 April 2013	212,283	1,484,583	311,364	960,871	308,682	3,277,783
Exchange realignment	128	–	37	–	90	255
Additions	–	314,500	16,197	98,783	122,251	551,731
Disposal	–	–	(17,713)	–	(29,863)	(47,576)
At 31 March 2014	212,411	1,799,083	309,885	1,059,654	401,160	3,782,193
Exchange realignment	9	–	2	–	7	18
Additions	–	–	67,321	243,942	50,222	361,485
Reclassification	–	422,906	–	(422,906)	–	–
Disposal	–	–	(82)	–	(13,055)	(13,137)
At 31 March 2015	212,420	2,221,989	377,126	880,690	438,334	4,130,559
DEPRECIATION						
At 1 April 2013	40,884	205,039	123,031	–	209,837	578,791
Exchange realignment	11	–	22	–	65	98
Provided for the year	4,883	33,165	54,651	–	67,850	160,549
Eliminated on disposal	–	–	(17,475)	–	(27,863)	(45,338)
At 31 March 2014	45,778	238,204	160,229	–	249,889	694,100
Exchange realignment	2	–	2	–	5	9
Provided for the year	4,883	41,705	58,225	–	79,639	184,452
Eliminated on disposal	–	–	(82)	–	(9,712)	(9,794)
At 31 March 2015	50,663	279,909	218,374	–	319,821	868,767
CARRYING VALUES						
At 31 March 2015	161,757	1,942,080	158,752	880,690	118,513	3,261,792
At 31 March 2014	166,633	1,560,879	149,656	1,059,654	151,271	3,088,093

The above items of property, plant and equipment other than hotel properties under construction are depreciated on a straight-line basis of the following rates per annum:

Leasehold land and buildings	Over the estimated useful lives of 40 years or the unexpired terms of the relevant leases, whichever is shorter
Hotel properties	Over the estimated useful lives of 40 years or the unexpired terms of the relevant leases, whichever is shorter
Leasehold improvements	10 – 20%
Others	10 – 33 $\frac{1}{3}$ %

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17. Property, Plant and Equipment – continued

As the lease payments for land and buildings elements cannot be allocated reliably, the entire lease is reclassified as a finance lease and includes in the carrying amount of the leasehold land and buildings.

The carrying values of leasehold land and buildings and hotel properties shown above are situated on land under the following lease terms:

	2015 HK\$' 000	2014 HK\$' 000
Leasehold land and buildings in Hong Kong under:		
– long lease	36,457	37,399
– medium-term lease	40,651	41,922
	77,108	79,321
Buildings in PRC under long lease	5,954	6,270
Buildings in Macau under long lease	78,695	81,042
	161,757	166,633
Hotel property in Hong Kong under long lease	281,728	289,131
Hotel property in Hong Kong under medium-term lease	422,906	–
Hotel properties in Macau under medium-term lease	1,237,446	1,271,748
	1,942,080	1,560,879
Hotel properties under construction in Hong Kong under long lease	880,690	1,059,654

During the year, the net interest capitalised in property, plant and equipment amounted to HK\$24,540,000 (2014: HK\$19,474,000).

18. Prepaid Lease Payments

	HK\$' 000
COST	
At 1 April 2013	309,846
Addition	362,300
Release for the year	(8,866)
At 31 March 2014	663,280
Release for the year	(18,702)
At 31 March 2015	644,578

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For the year ended 31 March 2015

18. Prepaid Lease Payments – continued

	2015 HK\$' 000	2014 HK\$' 000
The Group's prepaid lease payments comprise:		
Leasehold land situated in Macau under medium-term lease	644,578	663,280
Analysed for reporting purposes as:		
– non-current portion	625,876	644,578
– current portion	18,702	18,702
	644,578	663,280

19. Interest in a Joint Venture

During the year, the Group and two independent third parties formed a new entity named Superb Land Limited of which the Group holds 40% equity interest. Superb Land Limited holds 100% interest in Talent Charm Corporation Limited ("Talent Charm"), being the property development company of a development project located at Rural Building Lot No. 1198, Shouson Hill Road West, Hong Kong.

	2015 HK\$' 000	2014 HK\$' 000
Cost of unlisted investments	–	–
Share of post-acquisition losses and total comprehensive expenses	(71)	–
	(71)	–
Amount due from a joint venture	572,545	–
	572,474	–

As at 31 March 2015, the amount due from a joint venture carries interest at 2.2% per annum. It has no fixed terms of repayment and the Group has no intention to exercise its right to demand repayment of the advance within the twelve months from the end of the reporting period. Accordingly, the amount is shown as non-current.

Details of the Group's joint venture at the end of the reporting period are as follows:

Name of joint venture	Place of incorporation and operation	Proportion of ownership interest held by the Group	Principal activity
Superb Land Limited (formerly known as Powerland Holdings Limited)	BVI/Hong Kong	40%	Investment holding

As at 31 March 2015, the Group has given corporate guarantee of HK\$941,600,000 (2014: nil) to a bank in respect of banking facilities granted to Talent Charm, of which HK\$542,000,000 (2014: nil) has been utilised. In the opinion of the Directors, the fair value of the guarantee is not significant.

In the opinion of the Directors, the joint venture is not material to the Group and no disclosure of financial information is considered necessary.

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For the year ended 31 March 2015

20. Deposit in Designated Bank Account for Development Properties

The amount of HK\$10,072,000 (2014: HK\$11,685,000) (equivalent to approximately RMB7,978,000 (2014: RMB9,267,000)), was deposited to a bank account designated under 北京朝陽區房屋管理局 as deposit for resettlement for the investment properties under development in the PRC. Such bank deposit is restricted for settlement in relation to the resettlement work and carried interest at 1.27% (2014: 1.27%) per annum. The deposit is expected to be released within twelve months from the end of the reporting period and classified as current assets.

21. Goodwill

	HK\$' 000
COST	
At 1 April 2013, 31 March 2014 and 31 March 2015	56,683

For the purpose of impairment test, goodwill of HK\$54,743,000 (2014: HK\$54,743,000) has been allocated to hotel and hotel related operation of Emperor E Hotel (a single cash generating unit "CGU").

At 31 March 2015, the Group performed an impairment review for goodwill of Emperor E Hotel based on cash flow forecasts derived from the most recent financial budgets for the next five years and after the fifth year, the projections are extrapolated using a constant growth rate of 3% (2014: 3%) per annum for subsequent years. The recoverable amount of the CGU is determined from value in use calculations. The key assumptions for the value in use calculations are those regarding the discount rate, growth rate and expected changes to revenue and direct costs during the year. The forecast is discounted using a discount rate of 20% (2014: 22%). The discount rate was determined with reference to weighted average cost of capital of similar companies in the industry and adjusted for specific risks associated with Emperor E Hotel's gaming operation. The growth rate does not exceed the long-term average industry growth forecasts. Changes in revenue and direct costs are based on past practices and the management's expectations of future changes in the market. The Group considers no impairment loss is necessary.

Regarding the remaining goodwill of HK\$1,940,000 (2014: HK\$1,940,000), it has been allocated to the CGU for the lease of properties for the purpose of impairment test, and no impairment is considered necessary.

22. Other Assets

	2015 HK\$' 000	2014 HK\$' 000
Club debentures and membership, at cost	4,092	4,092

The club debentures and membership have indefinite life.

23. Inventories

	2015 HK\$' 000	2014 HK\$' 000
Catering goods, at cost	14,827	14,262

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24. Properties Held for Sale

The properties held for sale comprise properties:

	2015 HK\$' 000	2014 HK\$' 000
Situated in Hong Kong under:		
– long leases	159,478	159,998
– medium-term leases	42,096	49,898
	201,574	209,896
Situated in the PRC and held under land use rights with terms expiring within 50 years	497	497
	202,071	210,393

25. Properties under Development for Sale

The amounts represent projects developed for sale after completion. The properties under development for sale at the end of the reporting period comprise:

	2015 HK\$' 000	2014 HK\$' 000
Situated in Hong Kong under:		
– long leases	2,441,767	2,092,364
– medium-term leases	199,470	56,442
	2,641,237	2,148,806

Included in the amount are properties under development for sale of approximately HK\$199,470,000 (2014: HK\$412,571,000) which are expected to be recovered after twelve months from the end of the reporting period.

During the year, the net interest capitalised in properties under development for sale amounted to HK\$55,951,000 (2014: HK\$35,124,000).

26. Trade and Other Receivables

	2015 HK\$' 000	2014 HK\$' 000
An analysis of trade and other receivables is as follows:		
Trade receivables	200,371	234,880
Chips on hand	135,386	87,239
Other receivables	438,043	211,738
Deposits and prepayments	167,285	43,765
	941,085	577,622

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For the year ended 31 March 2015

26. Trade and Other Receivables – continued

An aged analysis of the Group's trade receivables (net of allowances) based on either the date of credit granted or the invoice date at the end of the reporting period is set out below:

	2015 HK\$' 000	2014 HK\$' 000
0 – 30 days	179,172	215,047
31 – 90 days	6,715	5,024
91 – 180 days	856	51
Over 180 days	13,628	14,758
	200,371	234,880

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

No credit period was granted to tenants of rental of premises. Before accepting any new tenant, the Group will internally assess the credit quality of the potential tenant. No credit period was granted to hotel customers generally except for those high credit rating customers to whom an average credit period of 30 days were granted.

For gaming operation, 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.

Included in other receivables are amounts due from related companies of HK\$30,625,000 (2014: HK\$29,900,000). These related companies are indirectly controlled by AY Holdings which is held by STC International being the trustee of the AY Trust (Dr. Albert Yeung is the founder of the AY Trust and a deemed substantial shareholder of the Company). The amounts are unsecured, interest-free and repayable within one year.

Included in other receivables are deposits received for sale of the Group's properties under development for sale of HK\$231,296,000 (2014: HK\$71,240,000) under the custodian of the independent lawyers on behalf of the Group.

The carrying amount of trade receivables in respect of hotel and hotel related operations does not have debtor which was past due at the end of the reporting period for which the Group has not provided for impairment loss. Included in the trade receivable balances are debtor balances of HK\$14,484,000 (2014: HK\$14,809,000) that would otherwise have been past due or impaired had the terms not been renegotiated.

Included in the trade receivable balances in respect of other operations are debtors with carrying amounts of HK\$7,585,000 (2014: HK\$1,686,000) which are past due at the end of the reporting period for which the Group has not provided for impairment loss.

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26. Trade and Other Receivables – continued

Aging of trade receivables in respect of other operations which are past due but not impaired

	2015 HK\$'000	2014 HK\$'000
Overdue for:		
1 – 30 days	7,585	1,558
91 – 180 days	–	128
	7,585	1,686

Movement in the allowance for doubtful debts

	2015 HK\$'000	2014 HK\$'000
At 1 April	23,614	19,310
Impairment loss recognised	1,130	4,306
Amounts recovered during the year	(3,742)	–
Written off	–	(2)
At 31 March	21,002	23,614

Included in the allowance for doubtful debts are individually impaired trade receivables with aggregate balances of HK\$21,002,000 (2014: HK\$23,614,000), the management considered these prolonged outstanding balances from individual customers were in doubt. The Group does not hold any collateral over these balances.

The Group's management closely monitors the credit quality of debtors and considers the debtors that are neither past due nor impaired to be of a good credit quality as continuous partial repayments are received from these debtors.

Included in trade and other receivables are the following amounts denominated in currency other than functional currency of the relevant group entities:

	2015 HK\$'000	2014 HK\$'000
RMB	37,551	33,747

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27. Pledged Bank Deposits/Short-Term Bank Deposit/Bank Balances and Cash

Pledged bank deposits included (i) deposits of HK\$2,450,549,000 (2014: HK\$2,414,080,000) pledged to banks to secure for banking facilities granted to the Group and; (ii) a deposit of HK\$321,000 (2014: HK\$316,000) pledged to a bank to secure for the use of ferry ticket equipment provided by a third party to the Group. The pledged bank deposits carry interest at fixed interest rates which range from 0.84% to 3.70% (2014: 2.20% to 3.80%) per annum.

As at 31 March 2014, short-term bank deposit with an original maturity of over 3 months but within one year carried interest at fixed interest rates which ranged from 0.35% to 3.25% per annum.

Bank balances and cash comprise cash held by the Group and bank deposits with an original maturity of 3 months or less, and carry interests at prevailing market rates which range from 0.01% to 4.40% (2014: 0.01% to 2.90%) per annum.

Included in pledged bank deposits, short-term bank deposit and bank balances and cash are the following amounts denominated in currency other than functional currency of the relevant group entities:

	2015 HK\$' 000	2014 HK\$' 000
RMB	2,506,197	2,449,293

28. Trade and Other Payables

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

	2015 HK\$' 000	2014 HK\$' 000
0 – 90 days	29,946	26,321
91 – 180 days	181	569
Over 180 days	9	–
	30,136	26,890
Construction payables and accruals	543,171	510,147
Other payables and accruals	266,361	200,053
Rental deposits received	251,973	189,077
Deposits received from pre-sales of properties	1,046,432	–
	2,138,073	926,167

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For the year ended 31 March 2015

29. Amount Due to a Related Company

The amount is unsecured and carries interest ranging from HIBOR + 1.15% to HIBOR + 1.46% per annum (2014: HIBOR + 1.18% to HIBOR + 1.2% per annum). The interest payable to the related company, a wholly-owned subsidiary of the AY Trust, is calculated at 1.70% (2014: 1.40%) per annum at the end of the reporting period.

During the year, further advances from the related company amounted to HK\$2,033,098,000 (2014: HK\$948,702,000) and the Group partially repaid the principal of HK\$1,941,194,000 (2014: HK\$1,200,822,000) to the related company. The principal amount outstanding as at 31 March 2015 was HK\$3,715,920,000 (2014: HK\$3,624,015,000). It was agreed with the related company that the Group will repay the amount based on the sufficiency of its operating cash flows determined by the management of the Group. Therefore, the Group revises its estimates on the amounts of repayments to the related company and adjusts the carrying amount to be stated under current and non-current liabilities in accordance with the revised estimated cash flows on regular basis. At the end of the reporting period, the Group calculates the estimated future cash flows at effective interest rates of 3.25% (2014: 3.25%). During the year, the Group recognised a deemed capital contribution in equity of HK\$101,440,000 (2014: HK\$64,184,000) due to fair value adjustment on initial recognition of further advances from the related company in current year.

In the opinion of the Directors, the carrying amount of the amount due to the related company of HK\$3,062,083,000 (2014: HK\$3,041,701,000) is not expected to be repaid in the next twelve months based on the estimated repayment schedule and the related company agreed not to demand for any payment of this amount from the Group within one year from the end of the reporting period. Accordingly, such amount is shown as non-current liability.

30. Amounts Due to Non-Controlling Interests of Subsidiaries

Amounts due to non-controlling interests of subsidiaries comprise:

- (i) Amount of HK\$2,576,000 (2014: HK\$2,566,000) which is unsecured, interest-free and repayable on demand, and
- (ii) Amounts of HK\$150,000,000 (2014: HK\$186,000,000) which are unsecured, interest-free shareholders' loans due to non-controlling interests of Luck United.

In accordance with the contractual terms of the shareholders' agreements, the interest-free amounts due to non-controlling interests of Luck United are to be repaid from surplus fund, which represents cash available in Luck United, an indirect non wholly-owned subsidiary, and its subsidiaries, after payment of all operating expenses and payables including but not limited to bank loans and third party loans which are due for repayment together with the accrued interest.

At the end of the reporting period, the management of Luck United determined that Luck United has adequate available surplus fund for the repayment of all principal amounts outstanding to its shareholders. Therefore, the Directors consider that the carrying amount of the amounts due to non-controlling interests of HK\$150,000,000 (2014: HK\$186,000,000) is repayable at the discretion of non-controlling interests at 31 March 2015 and 31 March 2014.

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For the year ended 31 March 2015

31. Derivative Financial Instruments

	2015		2014	
	Assets HK\$' 000	Liabilities HK\$' 000	Assets HK\$' 000	Liabilities HK\$' 000
Derivatives not under hedge accounting				
Interest rate swap contract	–	9,368	–	13,806
Foreign currency forward contracts	3,241	15,040	–	9,831
	3,241	24,408	–	23,637
Analysed for reporting purposes as				
Current	3,241	1,084	–	8,496
Non-current	–	23,324	–	15,141
	3,241	24,408	–	23,637

(a) Interest rate swap contract

The Group used an interest rate swap contract to minimise its exposure to variability in cash flows arisen from variable-rate secured bank borrowings by swapping floating interest rates to fixed interest rates.

The major terms of the interest rate swap contract at the end of the reporting period are as follows:

At 31 March 2015 and 31 March 2014

Notional amount	Maturity	Receive floating	Pay fixed
HK\$500,000,000	21 June 2016	3-month HIBOR	2.088%

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31. Derivative Financial Instruments – continued

(b) Foreign currency forward contracts

The Group used foreign currency forward contracts to minimise its exposure to variability in cash flows arisen from expenditure incurred for the property development projects in the PRC. The major terms of the foreign currency forward contracts at the end of the reporting period are as follows:

At 31 March 2015

Notional amount	Maturity	Forward contract rates
4 contracts to buy RMB550,000,000 in aggregate	Within one year	RMB1 to HK\$1.2340 to RMB1 to HK\$1.2428
1 contract to buy RMB300,000,000 in aggregate	Between one to two years	RMB1 to HK\$1.2363

At 31 March 2014

Notional amount	Maturity	Forward contract rates
3 contracts to buy RMB450,000,000 in aggregate	Within one year	RMB1 to HK\$1.2512 to RMB1 to HK\$1.2830
2 contracts to buy RMB400,000,000 in aggregate	Between one to two years	RMB1 to HK\$1.2363 to RMB1 to HK\$1.2380

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32. Unsecured Notes

	2015 HK\$' 000	2014 HK\$' 000
US\$110,000,000 unsecured notes carry fixed coupon rate of 4.8% per annum, payable semi-annually with maturity in 2018 at its carrying amounts	851,094	850,717
HK\$1,650,000,000 unsecured notes carry fixed coupon rate of 5% per annum, payable semi-annually with maturity in 2017 at its carrying amounts	1,618,113	–
HK\$1,000,000,000 unsecured notes carry fixed coupon rate of 5% per annum, payable semi-annually with maturity in 2020 at its carrying amounts	993,513	–
HK\$300,000,000 unsecured notes carry fixed coupon rate of 5% per annum, payable semi-annually with maturity in 2020 at its carrying amounts	298,486	–
	3,761,206	850,717

In December 2013, Big Right Investment Limited (“Big Right”), an indirect wholly-owned subsidiary of the Group, concluded public offering of the unsecured notes of US\$110,000,000 (equivalent to approximately HK\$852,665,000). The unsecured notes (Stock Code: 6005) are listed on the Stock Exchange and carry fixed coupon rate of 4.8% per annum, payable semi-annually in arrears. The unsecured notes carry effective interest rate of 4.85% per annum. The principal amount of the unsecured notes is repayable in 2018 and unconditionally and irrevocably guaranteed by the Company.

In July 2014, the Company issued unsecured notes of HK\$1,650,000,000. The unsecured notes carry fixed coupon rate of 5% per annum, payable semi-annually in arrears. The unsecured notes carry effective interest rate of 5.92% per annum. The principal amount of the unsecured notes is repayable in 2017.

In February 2015, the Company issued unsecured notes of HK\$1,000,000,000. The unsecured notes carry fixed coupon rate of 5% per annum, payable semi-annually in arrears. The unsecured notes carry effective interest rate of 5.15% per annum. The principal amount of the unsecured notes is repayable in 2020.

In March 2015, the Company issued unsecured notes of HK\$300,000,000. The unsecured notes carry fixed coupon rate of 5% per annum, payable semi-annually in arrears. The unsecured notes carry effective interest rate of 5.12% per annum. The principal amount of the unsecured notes is repayable in 2020.

The proceeds from the issuance of unsecured notes are intended to use for general working capital purposes of the Group.

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33. Bank and Other Borrowings

	2015 HK\$' 000	2014 HK\$' 000
Bank borrowings:		
Bank loans	9,521,781	8,457,810
Bank overdraft	5,871	407,887
	9,527,652	8,865,697
Other borrowing	–	315,000
	9,527,652	9,180,697
	2015 HK\$' 000	2014 HK\$' 000
The bank borrowings are repayable as follows*:		
Within one year	2,706,667	1,639,063
Between one to two years	2,582,838	3,145,566
Between two to five years	2,359,135	2,242,777
Over five years	1,723,731	1,706,641
	9,372,371	8,734,047
Carrying amounts of bank borrowings that contain a repayment on demand clause shown under current liabilities	155,281	131,650
	9,527,652	8,865,697
The other borrowing is repayable as follows*:		
Within one year	–	315,000
	9,527,652	9,180,697
Less: Amounts due within one year shown under current liabilities	(2,861,948)	(2,085,713)
Amounts due after one year shown under non-current liabilities	6,665,704	7,094,984

* Carrying amounts based on scheduled repayment dates set out in the loan agreements.

The bank borrowings carry interest ranging from HIBOR + 0.55% to HIBOR + 2.9% per annum (2014: HIBOR + 0.55% to HIBOR + 2.9% per annum) and are secured by certain assets of the Group (see note 40(a)).

As at 31 March 2014, the other borrowing was unsecured and carried interest at a fixed rate of 5.00% per annum.

The effective interest rate of bank and other borrowings range from 1.54% to 2.17% (2014: 1.51% to 5.00%) per annum.

Notes to the Consolidated Financial Statements

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34. Deferred Taxation

The following are the major deferred tax (liabilities) assets recognised and movements thereon during the current and prior years.

	Accelerated tax depreciation HK\$' 000	Development costs capitalised HK\$' 000	Revaluation of properties HK\$' 000	Tax losses HK\$' 000	Total HK\$' 000
At 1 April 2013	(125,008)	(4,191)	(523,429)	22,750	(629,878)
Exchange realignments	–	–	(5,501)	–	(5,501)
(Charge) credit to profit or loss (<i>note 13</i>)	(15,570)	–	(113,011)	3,767	(124,814)
Credit to equity	302	–	–	–	302
At 31 March 2014	(140,276)	(4,191)	(641,941)	26,517	(759,891)
Exchange realignments	–	–	(4,887)	–	(4,887)
(Charge) credit to profit or loss (<i>note 13</i>)	(14,892)	–	(220,931)	2,231	(233,592)
Credit to equity	282	–	–	–	282
At 31 March 2015	(154,886)	(4,191)	(867,759)	28,748	(998,088)

For the purpose of presentation in the consolidated statement of financial position, certain deferred tax assets and liabilities have been offset.

At 31 March 2015, the Group had tax losses of HK\$800,445,000 (2014: HK\$704,421,000) available for offset against future profits. Deferred tax assets have been recognised in respect of HK\$190,472,000 (2014: HK\$182,884,000) of such losses. No deferred tax asset has been recognised in respect of the remaining HK\$609,973,000 (2014: HK\$521,537,000) due to the unpredictability of future profit streams. The tax losses of the Group might be carried forward indefinitely.

Under the EIT Law of PRC, withholding tax is imposed on dividends declared in respect of profits earned by PRC subsidiaries from 1 January 2008 onwards. Deferred taxation has not been provided for in the consolidated financial statements in respect of temporary differences attributable to accumulated profits of the PRC subsidiaries amounting to HK\$125,301,000 (2014: HK\$120,369,000) as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2015

35. Share Capital

	Number of shares	Amount HK\$'000
THE COMPANY		
Ordinary shares of HK\$0.01 each		
Authorised:		
At 1 April 2013, 31 March 2014 and 31 March 2015	500,000,000,000	5,000,000
Issued and fully paid:		
At 1 April 2013	3,666,776,192	36,668
Exercise of share options (Note)	5,000,000	50
At 31 March 2014 and 31 March 2015	3,671,776,192	36,718

Note: During the year ended 31 March 2014, 5,000,000 share options were exercised at an exercise price of HK\$1.746 per share. The new shares issued during that year rank pari passu with the existing shares in all aspects.

36. Share Option

Share option schemes of the Company

The Company adopted a share option scheme (the "Old Share Option Scheme") which became effective on 9 September 2003 (the "Adoption Date"). The primary purpose of the Old Share Option Scheme is to provide incentives or rewards to the participants including the Directors and eligible employees of the Group, for their contribution to the Group and/or to enable the Group to recruit and retain high-calibre employees and attract human resources that were valuable to the Group or any entity in which the Group held an equity interest.

Under the Old Share Option Scheme, the Directors are authorised, at any time within ten years after the Adoption Date, to offer to grant options to any participant to subscribe for shares in the Company at a price not less than the highest of (i) the closing price of the Company's shares on the date of grant; (ii) the average closing price of the Company's shares for the five trading days immediately preceding the date of grant; and (iii) the nominal value of a Company's share. The total number of shares in respect of which options may be granted under the Old Share Option Scheme cannot exceed 10% of the total number of shares in issue on the Adoption Date. The maximum number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Old Share Option Scheme and any other share option scheme of the Company, if any, cannot exceed 30% of the total number of shares in issue from time to time. The number of shares in respect of which options may be granted to any participant shall not exceed 1% of the total number of shares in issue in any 12-month period. An option may be exercised at any time within ten years from the date of issue of the relevant options, where the acceptance date should not be later than 28 days from the date of the offer. The options granted under the Old Share Option Scheme remain valid until those options lapsed on their expiry date. A nominal consideration of HK\$1 is payable on acceptance of the grant of options. The Old Share Option Scheme lapsed automatically on 9 September 2013 upon the expiry of the 10-year period.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2015

36. Share Option – continued

Share option schemes of the Company – continued

In order to ensure the continuity of a share option scheme for the Company to provide incentives or rewards to participants including the Directors and eligible employees of the Group, the shareholders passed an ordinary resolution at the annual general meeting of the Company held on 8 August 2013 to approve the adoption of a new share option scheme (the “New Share Option Scheme”). No share options were granted under the New Share Option Scheme since adoption.

Particulars of the outstanding options which were granted to the Directors under the Old Share Scheme are as follows:

Date of grant	Exercisable period	Exercise price per share HK\$	Outstanding at 1 April 2013	Exercised during the year	Outstanding at 31 March 2014 and 31 March 2015
11.8.2005	11.8.2005 – 10.8.2015	1.746	21,538,950	(5,000,000)	16,538,950

The share options granted were vested immediately at the date of grant.

No option has been granted under the Old Share Option Scheme by the Company during the years ended 31 March 2015 and 31 March 2014.

Share option schemes of Emperor E Hotel

Emperor E Hotel adopted a share option scheme (the “Emperor E Hotel Old Share Option Scheme”) on 2 September 2002 (the “Emperor E Hotel Old Adoption Date”), the primary purpose of which is to provide incentives or rewards to participants including the directors and eligible employees of Emperor E Hotel. The Emperor E Hotel Old Share Option Scheme lapsed automatically on 1 September 2012 upon the expiry of the 10-year period. The options granted under the Emperor E Hotel Old Share Option Scheme remain valid until those options lapsed on their expiry date. As at 31 March 2015, there was no outstanding options granted under the Emperor E Hotel Old Share Option Scheme.

In order to ensure the continuity of a share option scheme for Emperor E Hotel to provide incentives or rewards to participants including the directors and eligible employees of Emperor E Hotel, the shareholders passed an ordinary resolution at the annual general meeting of Emperor E Hotel held on 8 August 2013 to approve the adoption of a new share option scheme (the “Emperor E Hotel New Share Option Scheme”). No share options were granted under the Emperor E Hotel New Share Option Scheme since its adoption.

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36. Share Option – continued

Share option schemes of Emperor E Hotel – continued

Under the Emperor E Hotel Old Share Option Scheme, the directors of Emperor E Hotel are authorised, at any time within ten years after the Emperor E Hotel Old Adoption Date, to grant options to any participants to subscribe for shares in Emperor E Hotel at a price not less than the highest of (i) the closing price of Emperor E Hotel shares on the date of grant; (ii) the average closing prices of Emperor E Hotel shares for the five trading days immediately preceding the date of grant; and (iii) the nominal value of Emperor E Hotel share. The total number of shares in respect of which options may be granted under the Emperor E Hotel Old Share Option Scheme cannot exceed 10% of the total number of shares in issue on the Emperor E Hotel Old Adoption Date. The maximum number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Emperor E Hotel Old Share Option Scheme and any other share option scheme of Emperor E Hotel, if any, cannot exceed 30% of the total number of shares in issue from time to time. The number of shares in respect of which options may be granted to any participant shall not exceed 1% of the total number of shares in issue in any 12-month period. An option may be exercised at any time within ten years from the date of issue of the relevant options, where the acceptance date should not be later than 28 days from the date of the offer. A nominal consideration of HK\$1 is payable on acceptance of the grant of options.

On 11 August 2005, a total of 10,000,000 share options were granted by Emperor E Hotel to two directors of Emperor E Hotel who are also directors of the Company at an exercise price of HK\$2.20 under the terms of the Old Emperor E Hotel Share Option Scheme. The options were vested immediately at the date of grant.

Particulars of the outstanding options which were granted to the directors of Emperor E Hotel under the Emperor E Hotel Old Share Option Scheme are as follows:

Date of grant	Exercisable period	Exercise price per share HK\$	Outstanding at 1 April 2013	Exercised during the year	Outstanding at 31 March 2014 and 31 March 2015
11.8.2005	11.8.2005 – 10.8.2015	2.20	10,000,000	(10,000,000)	–

No option has been granted by Emperor E Hotel under the Emperor E Hotel Old Share Option Scheme during the years ended 31 March 2015 and 31 March 2014.

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37. Non-Controlling Interests

Included in non-controlling interests as at 31 March 2015 was a deemed contribution by non-controlling interests of HK\$21,903,000 (2014: HK\$21,903,000) on certain interest-free loans from the non-controlling interests of a subsidiary which were contributed in accordance with their shareholdings.

38. Acquisition of Additional Interests in Subsidiaries

During the year ended 31 March 2015, the Group acquired additional 3,655,000 (2014: 3,725,000) shares in Emperor E Hotel, representing 0.28% (2014: 0.29%) equity interests in Emperor E Hotel, at cash consideration of HK\$7,848,000 (2014: HK\$9,994,000). The difference of HK\$924,000 (2014: HK\$2,316,000) between the consideration paid of HK\$7,848,000 (2014: HK\$9,994,000) and the decrease in the non-controlling interests of HK\$8,772,000 (2014: HK\$7,678,000) was recognised directly in other reserve.

39. Acquisitions

The Group had acquired the following material property interests:

- (a) In February 2015, the Group acquired property interests located at 82 Hung To Road, Kowloon, Hong Kong through acquisition of Jade Talent Holdings Limited from an indirectly-owned subsidiary of AY Holdings at a cash consideration of HK\$414,700,000.
- (b) In January 2015, the Group acquired property interests located at 45-51 Kwok Shui Road, Kwai Chung, New Territories, Hong Kong through acquisition of Fine Gene Company Limited at a cash consideration of HK\$418,000,000.
- (c) In December 2014, the Group acquired property interests located at 81-85 Lockhart Road, Wan Chai, Hong Kong through acquisition of Bondwell Limited at a cash consideration of HK\$818,888,000.
- (d) In November 2014, the Group acquired property interests located at 181-183 Oxford Street, London, W1D 2JT, UK, at a cash consideration of £35,000,000 (approximately HK\$425,303,000).
- (e) In March 2014, the Group acquired property interests named Best Western Hotel Taipa Macau (to be renamed as Inn Hotel Macau) through acquisition of Himson Enterprises Limited and Longham Investment Limited at a cash consideration of HK\$900,000,000.
- (f) In September 2013, the Group acquired property interests named Wing Hang Finance Centre in Hong Kong through acquisition of Honfirst Land Limited at a cash consideration of HK\$1,588,000,000.

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40. Pledge of Assets

- (a) As at 31 March 2015 and 31 March 2014, certain assets of the Group were pledged to banks to secure banking facilities granted to the Group. The carrying value of these assets at the end of the reporting period were as follows:

	2015 HK\$' 000	2014 HK\$' 000
Bank deposits	2,450,549	2,414,080
Investment properties	30,844,592	26,949,330
Properties under development for sale	2,441,767	1,736,234
Buildings, including relevant leasehold land in Hong Kong	77,048	79,259
Hotel properties and hotel properties under construction, including relevant leasehold land in Hong Kong	2,822,772	2,306,294
Prepaid lease payments	644,578	301,279
Others (<i>Note</i>)	74,078	–
	39,355,384	33,786,476

Note: Others represent floating charges over certain other assets of the Group including principally property, plant and equipment (other than hotel properties), inventories, trade and other receivables and bank balances.

- (b) The Group also had a bank deposit of HK\$321,000 (2014: HK\$316,000) pledged to a bank to secure for the use of ferry ticket equipment provided by a third party to the Group.

41. Commitments

	2015 HK\$' 000	2014 HK\$' 000
Authorised but not contracted for in respect of:		
– properties under development for sale	483,125	779,237
– investment properties	442,045	1,257,391
– property, plant and equipment	109,790	673,948
	1,034,960	2,710,576
Contracted for but not provided in the consolidated financial statements, net of deposits paid, in respect of:		
– properties under development for sale	687,808	569,295
– investment properties	1,860,795	271,847
– property, plant and equipment	637,757	189,819
	3,186,360	1,030,961
	4,221,320	3,741,537

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42. Operating Lease Commitments

The Group as lessee

	2015 HK\$' 000	2014 HK\$' 000
Minimum lease payments paid and payable under operating leases during the year in respect of rented premises	8,309	6,704

At the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases in respect of rented premises, which fall due as follows:

	2015 HK\$' 000	2014 HK\$' 000
Within one year	5,824	7,967
In the second to fifth year inclusive	1,980	7,014
	7,804	14,981

Leases are negotiated for terms ranging from 1 to 2 years (2014: 1 to 3 years) and the rentals are pre-determined and fixed.

The Group as lessor

At the end of the reporting period, the Group had contracted with tenants to receive the following future minimum lease payments in respect of premises in the investment properties, which fall due as follows:

	2015 HK\$' 000	2014 HK\$' 000
Within one year	768,739	547,660
In the second to fifth years inclusive	941,456	352,122
Over five years	10,516	3,942
	1,720,711	903,742

Certain premises in the Group's investment properties have committed tenants for the tenancy ranging from 1 to 6 years (2014: 1 to 6 years) and the rentals are pre-determined at fixed amounts except for certain leases of which contingent rentals are charged based on the percentage of sales. The contingent rental income recognised during the year is HK\$3,334,000 (2014: HK\$3,567,000). The lease commitments presented above is based on the existing committed monthly minimum lease payments.

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43. Major Non-Cash Transactions

During the year ended 31 March 2015, additions of investment properties and property, plant and equipment of HK\$300,000 (2014: HK\$60,279,000) and HK\$5,402,000 (2014: HK\$44,203,000), respectively, were settled by utilising deposits paid in prior year.

44. Event after Reporting Period

Pursuant to the Company's announcement dated 7 May 2015, Famous Awards Limited, an indirect wholly-owned subsidiary of the Company, entered into a sale and purchase agreement to acquire an investment property, which is located at Nos. 25-27 Oxford Street, London, W1D 2DW, UK, at a consideration of £35,500,000 (approximately HK\$419,646,000). The transaction was completed on 12 June 2015.

45. Related Party Transactions

(a) Other than disclosed in notes 19, 26, 29, 30 and 39(a), the Group also had the following significant transactions with related parties:

	2015 HK\$'000	2014 HK\$'000
Advertising and other expenses to related companies	746	1,108
Commission to Dr. Albert Yeung in capacity of a patron of the Group's VIP rooms	1,842	1,319
Financial services expenses to related companies	28,960	1,135
Hotel and restaurant income from related companies	493	1,040
Interest income from a joint venture	3,345	–
Interest income from a shareholder of a joint venture	928	–
Interest expenses to related companies	116,110	118,603
Purchase of property, plant and equipment and merchandising goods from related companies	4,988	706
Rental income from related companies	309,772	286,323
Secretarial fee expenses to a related company	775	720
Service fees from related companies	192	388
Share of administrative expenses by related companies	80,465	74,241

Note: The above related parties are either controlled by AY Trust or certain Director.

- (b) The key management personnel of the Company are Directors. Details of the remunerations are set out in note 12.
- (c) The Group had entered into an accommodation contract with Dr. Albert Yeung under which the Group provided Dr. Albert Yeung and his associates the exclusive right to use and occupy a property of the Group as rent-free quarter (including related expenses in relation to the usage of the property) as his emolument for his services as a consultant of the Group. The market rental values and the related expenses of the quarter up to 31 March 2015 was HK\$9,836,000 (2014: HK\$9,072,000).

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46. Financial Information of the Company

The financial information of the Company as at 31 March 2015 and 31 March 2014 is as follows:

	2015 HK\$' 000	2014 HK\$' 000
Total assets		
Subsidiaries	11,429,626	8,898,752
Other receivables	449	449
Bank balances and cash	70	70
	11,430,145	8,899,271
Total liabilities		
Other payables	23,778	1,083
Unsecured notes	2,910,112	–
	2,933,890	1,083
Capital and reserves		
Share capital	36,718	36,718
Reserves (<i>Note</i>)	8,459,537	8,861,470
	8,496,255	8,898,188

Note:

	Share premium HK\$' 000	Share option reserve HK\$' 000	Contributed surplus HK\$' 000	Accumulated profits HK\$' 000	Total HK\$' 000
At 1 April 2013	4,542,224	4,656	109,474	4,605,376	9,261,730
Loss and total comprehensive expense for the year	–	–	–	(1,652)	(1,652)
Issue of shares	9,760	(1,081)	–	–	8,679
Final dividend paid for 2013	–	–	–	(205,339)	(205,339)
Interim dividend paid for 2014	–	–	–	(201,948)	(201,948)
At 31 March 2014	4,551,984	3,575	109,474	4,196,437	8,861,470
Loss and total comprehensive expense for the year	–	–	–	(1,709)	(1,709)
Final dividend paid for 2014	–	–	–	(216,635)	(216,635)
Interim dividend paid for 2015	–	–	–	(183,589)	(183,589)
At 31 March 2015	4,551,984	3,575	109,474	3,794,504	8,459,537

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47. Particulars of Subsidiaries

(a) Particulars of the principal subsidiaries of the Company as at 31 March 2015 and 31 March 2014 are as follows:

Name of subsidiary	Place of incorporation/ operation	Issued ordinary share capital/ registered capital ¹	Proportion of issued share capital held by the Group		Principal activities
			2015 %	2014 %	
Indirectly held					
Big Right	Hong Kong	1	100.00	100.00	Investment holding
Century Creations Limited	Hong Kong	10,000	100.00	100.00	Property development
Champ Billion Limited	Hong Kong	1	100.00	100.00	Property investment
Emperor (Beijing) Real Estate Development Limited	PRC	1,230,000,000	100.00	100.00	Property development
Emperor (Shanghai) Co., Ltd. ²	PRC	US\$45,000,000	100.00	100.00	Property development
Emperor (Xiamen) Real Estate Investments Limited ²	PRC	US\$5,000,000	97.19	97.19	Property development
Emperor Corporate Management Limited	BVI	US\$1	100.00	100.00	Investment holding
Emperor Entertainment Hotel Holdings Limited	Hong Kong	100	100.00	100.00	Investment holding
Emperor Entertainment Hotel Investment Limited	BVI/Macau	US\$50	62.67	62.39	Investment holding
Emperor Entertainment Hotel Management Limited ⁴	Macau	MOP25,000	37.60	37.43	Provision of project financing services
Emperor E Hotel ³	Bermuda	130,255	62.67	62.39	Hotel and gaming operation
Emperor Financial Management Limited	Hong Kong	100	100.00	100.00	Provision of treasury services to group company
Emperor Hotel Group Limited	BVI	US\$1	100.00	100.00	Investment holding
Emperor Hotel (HK) Limited	Hong Kong	2	100.00	100.00	Property investment and hotel operations
Emperor Investment Limited	Hong Kong	1,000	100.00	100.00	Provision of treasury services to group company

Notes to the Consolidated Financial Statements

For the year ended 31 March 2015

47. Particulars of Subsidiaries – continued

(a) Particulars of the principal subsidiaries of the Company as at 31 March 2015 and 31 March 2014 are as follows: – continued

Name of subsidiary	Place of incorporation/ operation	Issued ordinary share capital/ registered capital ¹	Proportion of issued share capital held by the Group		Principal activities
			2015 %	2014 %	
Indirectly held – continued					
Emperor Investment (Management) Limited	Hong Kong	100	100.00	100.00	Provision of management services
Emperor Project Management (Hong Kong) Limited	Hong Kong	100	100.00	100.00	Provision of project management services
Emperor Property Agency Limited	Hong Kong	100	100.00	100.00	Provision of property agency services
Emperor Property Development Limited	BVI	US\$1	100.00	100.00	Investment holding
Fai Iek Limitada	Macau	MOP25,000	100.00	100.00	Property investment
Gold Pleasure Investment Limited	Hong Kong	2	100.00	100.00	Property investment
Gold Shine Investment Limited	Hong Kong	2	100.00	100.00	Property development and investment
Golden Pegasus Investment Limited	Hong Kong	100,000	100.00	100.00	Property investment
Grand Emperor Entertainment Hotel (Macau) Limited ⁴	Macau	MOP500,000	37.60	37.43	Provision of hotel and catering services
Grand-Invest & Development Company Limited	Macau	MOP100,000	62.67	62.39	Provision of hotel and catering services
Headwise Investment Limited	Hong Kong	2	100.00	100.00	Property investment
Inn Hotel Limited	Hong Kong	10,000	100.00	100.00	Hotel operation
I Soi Limitada	Macau	MOP25,000	100.00	100.00	Property investment
I Veng Limitada	Macau	MOP25,000	100.00	100.00	Property investment

Notes to the Consolidated Financial Statements

For the year ended 31 March 2015

47. Particulars of Subsidiaries – continued

(a) Particulars of the principal subsidiaries of the Company as at 31 March 2015 and 31 March 2014 are as follows: – continued

Name of subsidiary	Place of incorporation/ operation	Issued ordinary share capital/ registered capital ¹	Proportion of issued share capital held by the Group		Principal activities
			2015 %	2014 %	
Indirectly held – continued					
Keen Million Limited ⁴	BVI/Macau	US\$1	37.60	37.43	Gaming operation
Luck United ⁴	BVI/Macau	US\$10,000	37.60	37.43	Investment holding
Mori Investment Limited (formerly known as Rich Aim Corporation Limited)	Hong Kong	2	100.00	100.00	Property investment
MORI MORI Serviced Apartments Limited (formerly known as Bright Up Corporation Limited)	Hong Kong	1	100.00	100.00	Operation of serviced apartments
Motive Drive Limited	Hong Kong	100	100.00	100.00	Property development
National Goal Limited	Hong Kong	2	100.00	100.00	Property investment
Planwing Limited	Hong Kong	2	100.00	100.00	Property investment
Precision Faith Limited	Macau	MOP100,000	62.67	62.39	Gaming operation and provision of gaming- related marketing and promotion services
Quick Gain Investments Limited	BVI/Macau	US\$1	62.67	62.39	Investment holding
Rich Gallant Investment Limited	Hong Kong	2	100.00	100.00	Property investment
Richorse Limited	Hong Kong	2	100.00	100.00	Property investment
Right Achieve Limited ⁴	BVI/Macau	US\$1	37.60	37.43	Investment holding
Shineon Investments Limited	BVI/UK	US\$1	100.00	–	Property investment
Upton Limited (formerly known as Superb Quo Limited)	Hong Kong	2	100.00	100.00	Property development
Tin Hou Limited	Macau	MOP25,000	62.67	62.39	Provision of agency services and gaming operation

Notes to the Consolidated Financial Statements

For the year ended 31 March 2015

47. PARTICULARS OF SUBSIDIARIES – continued

- (a) Particulars of the principal subsidiaries of the Company as at 31 March 2015 and 31 March 2014 are as follows: – continued

Name of subsidiary	Place of incorporation/ operation	Issued ordinary share capital/ registered capital ¹	Proportion of issued share capital held by the Group		Principal activities
			2015 %	2014 %	
Indirectly held – continued					
Very Sound Investments Limited	Hong Kong	10,000,000	100.00	100.00	Property investment
Winning Treasure Limited	Hong Kong	1	100.00	–	Property investment

¹ All amounts are in Hong Kong dollars except stated otherwise.

² Wholly foreign-owned enterprise.

³ Emperor E Hotel's shares are listed on the Stock Exchange.

⁴ These companies are non-wholly owned subsidiaries of Emperor E Hotel and are regarded as non wholly-owned subsidiaries of the Company because the Group has control over the financial and operating policies of these companies.

All subsidiaries, except for those companies incorporated outside Hong Kong, carry on their businesses in Hong Kong unless stated otherwise.

None of the subsidiaries of the Company issued any debt securities except for Big Right which has issued US\$110,000,000 unsecured notes (see note 32 for details) at 31 March 2015.

The above table lists the subsidiaries of the Company which, in the opinion of the Directors, principally affected the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the Directors, result in particulars of excessive length.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2015

47. Particulars of Subsidiaries – continued

(b) Details of non-wholly owned subsidiaries that have material non-controlling interests

The table below shows details of non-wholly owned subsidiary of the Group that have material non-controlling interests:

Name of subsidiary	Place of incorporation and principal place of business	Proportion of ownership interests and voting rights held by non-controlling interests		Profit allocated to non-controlling interests		Accumulated non-controlling interests	
		2015	2014	2015	2014	2015	2014
				HK\$'000	HK\$'000	HK\$'000	HK\$'000
Emperor E Hotel	Bermuda/Macau	37.33%	37.61%	377,612	533,397	2,885,192	2,577,408

Emperor E Hotel*

	2015 HK\$'000	2014 HK\$'000
Current assets	3,506,559	3,238,007
Non-current assets	2,867,386	2,918,343
Current liabilities	836,330	1,660,173
Non-current liabilities	623,284	113,821
Equity attributable to owners of the Emperor E Hotel	3,301,441	2,959,982
Non-controlling interests	1,612,890	1,422,374
Revenue	2,034,787	2,265,476
Costs, expenses, other gains and losses	1,339,994	1,357,173
Profit and total comprehensive income for the year	694,793	908,303
Profit and total comprehensive income attributable:		
Owners of the Company	317,181	374,906
Non-controlling interests of the Company	377,612	533,397
	694,793	908,303
Net cash inflow from operating activities	862,489	1,027,706
Net cash outflow from investing activities	(24,279)	(3,339,545)
Net cash (outflow) inflow from financing activities	(574,503)	715,916
Net cash inflow (outflow)	263,707	(1,595,923)

* Representing Emperor E Hotel and its subsidiaries

Five-Year Financial Summary

RESULTS

	For the year ended 31 March				
	2015 HK\$' 000	2014 HK\$' 000	2013 HK\$' 000	2012 HK\$' 000	2011 HK\$' 000
Revenue	2,821,473	3,013,897	5,703,465	2,959,603	1,784,847
Profit before taxation	1,625,991	2,655,118	7,187,235	5,080,332	3,800,203
Taxation	(350,298)	(265,688)	(560,765)	(154,392)	(99,373)
Profit for the year	1,275,693	2,389,430	6,626,470	4,925,940	3,700,830
Attributable to:					
Owners of the Company	898,129	1,858,140	6,156,029	4,459,091	3,444,702
Non-controlling interests	377,564	531,290	470,441	466,849	256,128
	1,275,693	2,389,430	6,626,470	4,925,940	3,700,830

ASSETS AND LIABILITIES

	At 31 March				
	2015 HK\$' 000	2014 HK\$' 000	2013 HK\$' 000	2012 HK\$' 000	2011 HK\$' 000
Total assets	49,011,232	43,313,955	37,803,653	33,005,564	25,285,173
Total liabilities	(20,563,434)	(15,780,169)	(12,346,965)	(13,789,251)	(10,725,623)
	28,447,798	27,533,786	25,456,688	19,216,313	14,559,550
Equity attributable to					
Owners of the company	25,558,851	24,952,580	23,348,384	17,495,301	13,212,261
Non-controlling interests	2,888,947	2,581,206	2,108,304	1,721,012	1,347,289
	28,447,798	27,533,786	25,456,688	19,216,313	14,559,550

Summary of Properties

Particulars of the Group's major investment properties and properties under development as at 31 March 2015 are as follows:

Investment Properties

Location	Purpose	Floor area sq. ft.	Car parking	Group's interest %
1. Ground Floor and 1st Floor, 474-476 Lockhart Road, and Shop G on Ground Floor, Pun Tak Building, 478-484 Lockhart Road, Causeway Bay, Hong Kong	Commercial	4,710(G)	–	100
2. Ground Floor and 1st Floor of 46 Leighton Road and Ground Floor of 44 and 48 Leighton Road, Lai Chi Building, Causeway Bay, Hong Kong	Commercial	6,054(G)	–	100
3. Units 1 to 4 on 12th Floor, Wing Yip Commercial Building, 65-71 Yen Chow Street, Sham Shui Po, Kowloon	Commercial	958(G)	–	100
4. Carpark Nos. 1-11, 20, 23, 23A, 24 and 24A on Ground Floor, Kwong Sang Hong Building, Blocks C and D, 188 Wanchai Road, Wanchai, Hong Kong	Carparks	–	16	100
5. Units 601-604, 606, 705, 801, 901, 902, 1206, 1207, 1505, 1605, 1701-1707, 1807, 2001-2007 Emperor Group Centre, 288 Hennessy Road, Wanchai, Hong Kong	Office	42,006(G)	–	100
6. Shops on Basement One and Two, G/F-1/F, 3/F-4/F, Some Commercial Units on 23/F-29/F, Emperor Group Centre, 288 Hennessy Road, Wanchai, Hong Kong	Commercial/ Office	125,811(G)	36	100
7. Ground Floor and 1st Floor, 523 Lockhart Road, Causeway Bay, Hong Kong	Commercial	1,850(G)	–	100

Summary of Properties

Investment Properties – continued

Location	Purpose	Floor area sq. ft.	Car parking	Group's interest %
8. Shops 1-3 & 5 on Ground Floor, the whole of 1st, 2nd and 3rd Floors, the External Walls of Ground Floor to 3rd Floor, the Flat Roof on 5th Floor and Parapet Walls enclosing the Flat Roof on 5th Floor and Lift No. 1 and No. 5, 8 Russell Street, Causeway Bay, Hong Kong	Commercial/ Shops	26,952(G)	–	100
9. Shop 1-4 Lower G/F, Yee Fung Building, 1A Wong Nai Chung Road, Happy Valley, Hong Kong	Shops	3,364(G)	–	100
10. Ground Floor and 1/F, 4, 6 and 8 Canton Road, Tsimshatsui, Kowloon	Shops	4,328(G)	–	100
11. Unit A to H on 17th Floor and Vehicle Parking Space No. 7 on Ground Floor, Hong Kong Industrial Building, 444-452 Des Voeux Road West, Hong Kong	Industrial/ Carparks	11,554(S)	1	100
12. Units C, D and G on 18th Floor, Unit H on 1st Floor and Vehicle Parking Spaces Nos. 11-12 on Ground Floor, Hong Kong Industrial Building, 444-452 Des Voeux Road West, Hong Kong	Industrial/ Carparks	6,060(S)	2	100
13. Shops A & B on Ground Floor, Hong Kong Industrial Building, 444-452 Des Voeux Road West, Hong Kong	Industrial	14,211(S)	–	100
14. Shops Nos. 7-11 and Entrance on Ground Floor, the whole of 1st and 2nd Floor, Wei Kei Building, 275 Chatham Road North, Hung Hom, Kowloon	Commercial	13,585(S)	–	100

Summary of Properties

Investment Properties – continued

Location	Purpose	Floor area sq. ft.	Car parking	Group's interest %
15. The Ulfert Centre (formerly known as Golden Castle Industrial Building), 4 Kin Fat Lane, Tuen Mun, New Territories	Industrial	178,817(S)	–	100
16. G/F, Portion B, 63-69 Avenida do Infante D. Henrique and Shop C2 on G/F, No. 5 Rua Dr. Pedro Jose Lobo, Macau	Commercial	1,600(G)	–	100
17. Shops A, B & E, G/F, Hung Kei Mansion, 5-8 Queen's Victoria Road, Central, Hong Kong	Commercial	3,235(G)	–	100
18. Shops 1-6, G/F and 1-2/F, 1st and 2nd Advertising Walls, 525 Shanghai Street, Mongkok, Kowloon	Commercial	5,549(G)	–	100
19. Unit C, 6/F, CNT Tower, Wanchai, Hong Kong	Office	940(G)	–	100
20. B/F, G/F, 1/F-4/F of Block A, No. 201-209 Avenida De Almeida Riberiro, No. 1-3 Pario Das Esquinas, Macau	Commercial	15,788(G)	–	100
21. Flat A & C, 12/F and Flat B, 17/F, Ying Fai Court, 1 Ying Fai Terrace, Hong Kong	Residential	1,780(G)	–	100
22. B1, B2 and 3/F, The Emperor (Happy Valley) Hotel, 1A Wang Tak Street, Happy Valley, Hong Kong	Commercial	16,128(G)	–	100
23. Shop A, D2 & E2, G/F, Harilela Mansion, 81 Nathan Road, Tsimshatsui, Kowloon	Shops	3,061(G)	–	100
24. 153-157 Castle Peak Road, Yuen Long, New Territories	Commercial/ Residential	8,841(G)	–	100
25. 54-56 Russell Street, Causeway Bay, Hong Kong	Commercial/ Residential	10,868(G)	–	100

Summary of Properties

Investment Properties – continued

Location	Purpose	Floor area sq. ft.	Car parking	Group's interest %
26. G/F, 20 Russell Street, Causeway Bay, Hong Kong	Shops	1,125(G)	–	100
27. Fitfort, 560 King's Road, North Point, Hong Kong	Shops/ Carparks	136,213(G)	353	100
28. Shop C & D, G/F and Units A and B, 1/F, Mereantile House, Kowloon	Shops	3,710(G)	–	100
29. G/F, 76 Percival Street, Hong Kong	Shops	600(G)	–	100
30. Shop A & B on G/F, Office A & B on 1/F, Tak Fat Building, 50-52 Russell Street, Hong Kong	Shops/ Office	3,720(G)	–	100
31. Shop on G/F, The Java, 98 Java Road, Hong Kong	Shops	4,435(G)	–	100
32. Shops on G/F & 1/F, 18 Upper East, 18-36 Shing On Street, Hong Kong	Shops	11,738 (G)	–	100
33. Shops on G/F & 1/F, The Prince Place, 396-400 Prince Edward Road West, Kowloon	Shops	6,320 (G)	–	100
34. G/F, 67 Wellington Street, Hong Kong	Shops	950 (G)	–	100
35. Flat B, G/F, Hon Kwong Mansion, 25-29 Hankow Road & 4 Ichang Street, Kowloon	Shops	800 (G)	–	100
36. Shop C, G/F, Daily House, 35, 36 & 37 Haiphong Road, Kowloon	Shops	750 (G)	–	100
37. Shop 33A on G/F and M/F, Tsimshatsui Mansion, 83-97 Nathan Road, 36-50 Lock Road, Kowloon	Shops	800 (G)	–	100
38. 60 Gloucester Road, Wanchai, Hong Kong	Shops/ Office	107,121 (G)	30	100
39. 30 Beach Road, Repulse Bay, Hong Kong	Commercial/ Shops	167,000 (G)	97	100
40. 82 Hung To Road, Kowloon	Industrial	89,500 (G)	9	100
41. 81-85 Lockhart Road, Wanchai, Hong Kong	Commercial/ Office	53,426 (G)	–	100
42. 45-51 Kwok Shui Road, New Territories	Industrial	129,147 (G)	13	100
43. 181-183 Oxford Street, London, UK	Commercial/ Office	12,731 (G)	–	100

Remarks: (G) – gross floor area
(S) – saleable area

Summary of Properties

Investment Properties Under Development

Location	Purpose	Site area sq.ft.	Estimated gross floor area sq.ft.	Stage of completion	Estimated completion date	Car parking	Group's interest %
1. 22-24 Russell Street, Causeway Bay, Hong Kong	Shops	2,337	7,824	Occupation permit submission	2015	–	100
2. 北京長安大街凱特大廈 A parcel of land located at Yong An Xi Li, Chaoyang District, Beijing, The PRC	Commercial	88,417	1,020,000 (incl. basement)	Superstructure in progress	2016	425	100
3. Emperor Star City, a site located at Yuyuan Jiedao 548 Jiefang 11/1 Qiu Huang District Shanghai, the PRC	Commercial complex	246,173	1,300,000 (incl. basement)	Foundation completed	2017	–	Note
4. Nos. 71-85, Avenida do Infante D. Herique and Nos. 514-540 Avenida da Praia Grande, Macau	Commercial	5,404	29,590	Superstructure in progress	2015	–	100
5. 17-19 Yik Yam Street, Hong Kong	Residential	2,019	17,211	Site	2017	–	100

Note: Under the JV Agreement, the Group would provide the Land, the JV partner would bear the full consideration cost and the saleable floor area would be split between the parties in equal shares.

Hotel Property Under Development

Location	Purpose	Site area sq.ft.	Estimated gross floor area sq.ft.	Stage of completion	Estimated completion date	Car parking	Group's interest %
1. 373 Queen's Road East, Hong Kong	Hotel	7,718	116,000	Superstructure works in progress	2016	–	100

Summary of Properties

Properties Under Development – For Sale

Location	Purpose	Site area sq.ft.	Estimated gross floor area sq.ft.	Stage of completion	Estimated completion date	Car parking	Group's interest %
1. Various Lots, DD210, Sai Kung New Territories	Residential	99,816	32,000	Site	2016	–	100
2. 180 Connaught Road West, Hong Kong	Residential/ Commercial	18,267	185,000	Superstructure in progress	2015	64	100
3. TMTL 436, Kwun Fat Street, Siu Lam, Tuen Mun, New Territories	Residential	97,091	39,000	Foundation work in progress	2015	–	100
4. TMTL 490, Tai Lam, Tuen Mun, New Territories	Residential	22,000	29,000	Site	2017	–	100
5. RBL 1198, Shouson Hill Road West, Hong Kong	Residential	116,896	87,673	Site	2018	–	40