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英皇娛樂酒店有限公司*
Emperor Entertainment Hotel Limited
(Incorporated in Bermuda with limited liability)
(Stock Code: 296)

**ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 MARCH 2016**

FINANCIAL SUMMARY	For the year ended 31 March		Changes
	2016	2015	
	HK\$'000	HK\$'000	
Revenue	<u>1,721,042</u>	<u>2,034,787</u>	<u>-15.4%</u>
Gross Profit	<u>1,126,504</u>	<u>1,441,758</u>	<u>-21.9%</u>
EBITDA (after non-controlling interests)	<u>520,587</u>	<u>634,452</u>	<u>-17.9%</u>
EBITDA Margin (after non-controlling interests)	<u>30.2%</u>	<u>31.2%</u>	<u>-1.0pp</u>
Profit for the year attributable to owners of the Company	<u>256,224</u>	<u>504,277</u>	<u>-49.2%</u>
Basic earnings per share	<u>HK\$0.20</u>	<u>HK\$0.39</u>	<u>-48.7%</u>
Total dividends per share	<u>HK\$0.08</u>	<u>HK\$0.11</u>	<u>-27.3%</u>

* For identification purposes only

The board of directors (the “Board” or “Directors”) of Emperor Entertainment Hotel Limited (the “Company”) announces the audited consolidated financial statements of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 March 2016 (the “Year”) together with the comparative figures for the corresponding year in 2015 as set out below:

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

For the year ended 31 March 2016

	<i>Notes</i>	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Revenue	3	1,721,042	2,034,787
Cost of sales		(43,977)	(44,479)
Cost of hotel and gaming operations		(550,561)	(548,550)
Gross profit		1,126,504	1,441,758
Other income		78,063	88,283
Fair value changes of investment properties		(67,800)	11,800
Other losses	5	(163,158)	(22,870)
Selling and marketing expenses		(375,072)	(485,724)
Administrative expenses		(250,144)	(255,511)
Finance costs		(14,365)	(19,179)
Profit before taxation	6	334,028	758,557
Taxation	7	(10,354)	(63,764)
Profit and total comprehensive income for the year		<u>323,674</u>	<u>694,793</u>
Profit and total comprehensive income for the year attributable to:			
Owners of the Company		256,224	504,277
Non-controlling interests		67,450	190,516
		<u>323,674</u>	<u>694,793</u>
Earnings per share			
Basic	9	<u>HK\$0.20</u>	<u>HK\$0.39</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2016

	<i>Notes</i>	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Non-current assets			
Investment properties		664,200	732,000
Property, plant and equipment		1,374,257	1,465,881
Prepaid lease payments		491,405	554,981
Deposits paid for acquisition of property, plant and equipment		5,752	3,564
Goodwill		110,960	110,960
		2,646,574	2,867,386
Current assets			
Inventories, at cost		13,001	14,002
Trade and other receivables	10	297,706	381,071
Prepaid lease payments		15,144	16,580
Pledged bank deposits		655,718	2,420,870
Short-term bank deposits		39,031	–
Bank balances and cash		2,851,246	674,036
		3,871,846	3,506,559
Current liabilities			
Trade and other payables	11	193,942	211,587
Amounts due to fellow subsidiaries		4,923	5,283
Amounts due to non-controlling interests of a subsidiary		132,000	150,000
Taxation payable		453,912	431,189
Bank borrowings – due within one year		37,800	38,271
		822,577	836,330
Net current assets		3,049,269	2,670,229
Total assets less current liabilities		5,695,843	5,537,615
Non-current liabilities			
Bank borrowings – due after one year		469,800	507,600
Deferred taxation		102,662	115,684
		572,462	623,284
		5,123,381	4,914,331
Capital and reserves			
Share capital		130	130
Reserves		3,442,911	3,301,311
Equity attributable to owners of the Company		3,443,041	3,301,441
Non-controlling interests		1,680,340	1,612,890
		5,123,381	4,914,331

Notes:

1. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

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

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

Except as described in note 2, the accounting policies adopted for preparation of the consolidated financial statements are consistent with those followed in the preparation of the Company’s consolidated financial statements for the year ended 31 March 2015.

2. APPLICATION OF NEW AND REVISED HKFRSs

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

Amendments to HKAS 19	Defined benefit plans: Employee contributions
Amendments to HKFRSs	Annual improvements to HKFRSs 2010-2012 cycle
Amendments to HKFRSs	Annual improvements to HKFRSs 2011-2013 cycle

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

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

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

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

² Effective for annual periods beginning on or after 1 January 2018.

³ Effective for annual periods beginning on or after a date to be determined.

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

2. APPLICATION OF NEW AND REVISED HKFRSs *(Continued)*

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 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.

Key requirements of HKFRS 9 are described below:

- All recognised financial assets that are within the scope of HKAS 39 “Financial instruments: Recognition and measurement” are subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at FVTOCI. All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.
- 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 Directors considered the expected credit loss model may result in earlier recognition of impairment on financial assets. The Directors will assess the impact of the application of HKFRS 9. However, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

HKFRS 15 “Revenue from contracts with customers”

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

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

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

2. APPLICATION OF NEW AND REVISED HKFRSs *(Continued)*

HKFRS 15 “Revenue from contracts with customers” *(Continued)*

Under HKFRS 15, the Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when “control” of the goods or services underlying the particular performance obligation is transferred to the customer. 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 an 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 that effect until a detailed review has been completed.

HKFRS 16 “Leases”

HKFRS 16, which upon the effective date will supersede HKAS 17 “Leases”, introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Specifically, under HKFRS 16, a lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. Accordingly, a lessee should recognise depreciation of the right-of-use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the statement of cash flows. Also, the right-of-use asset and the lease liability are initially measured on a present value basis. The measurement includes non-cancellable lease payments and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease. This accounting treatment is significantly different from the lessee accounting for leases that are classified as operating leases under the predecessor standard, HKAS 17, which does not require the recognition of such right-of-use asset or lease liability, but which requires certain information about operating lease commitments to be made as disclosed in note.

In respect of the lessor accounting, HKFRS 16 substantially carries forward the lessor accounting requirements in HKAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

The Directors are in the process of assessing the impact of HKFRS 16 on the consolidated financial statements. However, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

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

3. REVENUE

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

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Service income from gaming operation in mass market hall	888,663	1,194,107
Service income from gaming operation in VIP room	527,508	504,672
Service income from gaming operation in slot machine hall	35,376	32,291
Hotel room income	99,636	128,795
Food and beverage sales	129,063	129,723
Rental income from investment properties	30,472	29,947
Others	10,324	15,252
	<u>1,721,042</u>	<u>2,034,787</u>

4. SEGMENT INFORMATION

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

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

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

- Gaming operation
 - Mass market hall, VIP room and slot machine hall operations and provision of gaming-related marketing and public relation services in the casino of the Grand Emperor Hotel in Macau

- Hotel operation
 - Hotel operation in the Grand Emperor Hotel and the Inn Hotel Macau (formerly known as Best Western Hotel Taipa) including property investment income from investment properties in these hotels in Macau

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

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

4. **SEGMENT INFORMATION** (Continued)

Information regarding the above segments is reported below:

Segment revenues and results
For the year ended 31 March 2016

	Gaming operation HK\$'000	Hotel operation HK\$'000	Total HK\$'000	Elimination HK\$'000	Consolidated HK\$'000
SEGMENT REVENUE					
External revenue	1,451,547	269,495	1,721,042	-	1,721,042
Inter-segment revenue	-	2,821	2,821	(2,821)	-
Total	<u>1,451,547</u>	<u>272,316</u>	<u>1,723,863</u>	<u>(2,821)</u>	<u>1,721,042</u>
Segment result based on the Adjusted EBITDA	<u>626,790</u>	<u>123,074</u>	<u>749,864</u>		749,864
Bank interest income					72,876
Depreciation of property, plant and equipment					(148,962)
Exchange loss at corporate level					(114,124)
Release of prepaid lease payments					(15,978)
Fair value changes of investment properties					(67,800)
Impairment loss on prepaid lease payments					(49,034)
Finance costs					(14,365)
Unallocated corporate expenses					<u>(78,449)</u>
Profit before taxation					<u>334,028</u>

For the year ended 31 March 2015

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

4. SEGMENT INFORMATION (Continued)

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

Other than the segment information disclosed in above, there was no other information reviewed by the CODM for the years ended 31 March 2016 and 31 March 2015.

Geographical information

The Group's revenue was derived principally in Macau.

The non-current assets are all located in Macau.

Information about major customer

During the Year, revenue derived from one (2015: one) customer which contributed over 10% of the Group's revenue amounted to HK\$1,455,131,000 (2015: HK\$1,735,421,000). The revenue related to the gaming operation and the hotel operation.

5. OTHER LOSSES

	2016 HK\$'000	2015 HK\$'000
Impairment loss on prepaid lease payments (note)	49,034	–
Exchange loss	114,124	22,870
	<u>163,158</u>	<u>22,870</u>

Note: During the Year, impairment indicator of decline in assets' value due to economic downturn is noted in the Inn Hotel Macau. The Directors conducted an impairment assessment on the hotel's property, plant and equipment and prepaid lease payments by reviewing their recoverable amounts. An impairment loss of HK\$49,034,000 in respect of prepaid lease payments as at 31 March 2016 has been recognised (2015: nil).

6. PROFIT BEFORE TAXATION

	2016 HK\$'000	2015 HK\$'000
Profit before taxation has been arrived at after charging:		
Allowance for doubtful debts, net	560	–
Commission expenses in gaming operation (included in selling and marketing expenses)	305,528	412,297
Depreciation of property, plant and equipment	148,962	145,693
Loss on disposal of property, plant and equipment	836	2,986
Release of prepaid lease payments	15,978	16,580
and after crediting:		
Bank interest income	72,876	77,073
Reversal of allowance for doubtful debts, net	–	2,612
	<u>72,876</u>	<u>77,073</u>

7. TAXATION

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Macau Complementary Income Tax		
– current tax	64,659	83,747
– overprovision in prior year	(1,446)	–
– reversal of tax provision in prior years	(39,837)	(21,846)
	<u>23,376</u>	<u>61,901</u>
Deferred taxation	<u>(13,022)</u>	<u>1,863</u>
	<u>10,354</u>	<u>63,764</u>

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

Pursuant to the CT law, the CT assessment on the estimated assessable profit in a year of assessment will lapse in five consecutive years after that year of assessment. At the end of the reporting period, the Directors reassessed the adequacy of the CT provision and determined to reverse part of the Group’s relevant CT provision of HK\$39,837,000 for the 2010 year of assessment (2015: HK\$21,846,000 for the 2009 year of assessment) accordingly.

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

8. DIVIDENDS

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Dividends recognised as distribution during the year:		
Interim paid in respect of 2016: HK\$0.028 per share (2015: HK\$0.05 per share in respect of 2015)	36,471	65,127
Final paid in respect of 2015: HK\$0.06 per share (2015: HK\$0.075 per share in respect of 2014)	78,153	97,691
	<u>114,624</u>	<u>162,818</u>

The Board proposed the payment of a final dividend of HK\$0.052 per share (2015: HK0.06 per share) for the year ended 31 March 2016 which is subject to approval by the shareholders of the Company in the forthcoming annual general meeting.

9. EARNINGS PER SHARE

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

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Earnings		
Earnings (profit for the year attributable to the owners of the Company) for the purpose of basic earnings per share	<u>256,224</u>	<u>504,277</u>
	2016	2015
Number of shares		
Weighted average number of ordinary shares in issue for the purpose of basic earnings per share	<u>1,302,545,983</u>	<u>1,302,545,983</u>

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

10. TRADE AND OTHER RECEIVABLES

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Trade receivables	154,241	233,798
Less: Allowance for doubtful debts	<u>(32,399)</u>	<u>(42,186)</u>
	121,842	191,612
Chips on hand	148,033	135,386
Other receivables and prepayments	<u>27,831</u>	<u>54,073</u>
	<u>297,706</u>	<u>381,071</u>

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

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
0-30 days	90,874	170,541
31-60 days	16,088	5,881
61-90 days	–	834
91-180 days	1,980	856
Over 180 days	<u>12,900</u>	<u>13,500</u>
	<u>121,842</u>	<u>191,612</u>

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

11. TRADE AND OTHER PAYABLES

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Trade payables	17,854	18,974
Chips in custody and deposits from gaming patrons	20,458	29,027
Construction payables and accruals	15,086	18,517
Other payables and accruals	94,053	90,056
Accrued staff costs	28,491	37,013
Short-term advance	18,000	18,000
	<u>193,942</u>	<u>211,587</u>

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

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
0-30 days	8,726	8,326
31-60 days	8,404	8,459
61-90 days	643	1,999
91-180 days	80	181
Over 180 days	1	9
	<u>17,854</u>	<u>18,974</u>

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

MANAGEMENT DISCUSSION AND ANALYSIS

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

MARKET REVIEW

Amid deepening concerns over China's economy, ongoing austerity initiatives and regulatory changes, Macau's casino revenues have fallen for consecutive 22 months in March 2016. During the Year, Macau's gross gaming revenues posted a decline of 29.2% year-on-year to MOP223,167 million, but the revenue was moderated with a decline of 13.3% in first quarter of 2016. Economic growth in the major markets, including Mainland China and Hong Kong, remained clouded by factors such as financial market volatility, dwindling market demand and currency fluctuation. As a result, inflow of Mainland China tourists to Macau, which represents around two-thirds of the total visitor arrivals, has dropped by 3.7%.

FINANCIAL REVIEW

Overall Review

Despite a challenging environment, the Group managed to alleviate its revenue performance by effectively managing customer segmentation. During the Year, revenue declined moderately to HK\$1,721.0 million (2015: HK\$2,034.8 million). The Group's earnings before interest, tax, depreciation and amortisation ("EBITDA") and after non-controlling interests was HK\$520.6 million (2015: HK\$634.5 million). The EBITDA margin after non-controlling interests was 30.2% (2015: 31.2%). Profit for the Year attributable to the owners of the Company was HK\$256.2 million (2015: HK\$504.3 million). Such decline was mainly attributable to: i) a loss on fair value changes in investment properties and an impairment loss on prepaid lease payments; ii) an exchange loss on offshore traded Renminbi ("CNH") deposits held by the Group due to abrupt devaluation of Renminbi since August 2015; and iii) a moderate decline of revenue due to economic downturn. Basic earnings per share was HK\$0.20 (2015: HK\$0.39). The Board recommended the payment of a final dividend of HK\$0.052 (2015: HK\$0.06) per share. Together with the interim dividend of HK\$0.028 (2015: HK\$0.05) per share, the total dividends per share for the Year are HK\$0.08 (2015: HK\$0.11).

Capital Structure, Liquidity and Financial Resources

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

As at 31 March 2016, aggregate of bank balances and cash, short-term bank deposits and pledged bank deposits of the Group amounted to HK\$3,546.0 million (2015: HK\$3,094.9 million), which are mainly denominated in Hong Kong dollars, Macau Patacas and CNH. To sustain its liquidity, the Group pledged certain CNH deposits in favour of several banks as security for obtaining additional banking facilities to the Group.

At the end of the Year, the carrying amount of the Group's CNH denominated monetary assets was about 10.6% of the total assets. Although the Group recorded an exchange loss after non-controlling interests of HK\$74.9 million as a results of the abrupt devaluation of Renminbi during the Year, the impact of such exchange loss was partly mitigated by bank interest income after non-controlling interests of HK\$47.4 million. The Directors keep closely monitoring exposure to foreign exchange risk as well as interest rate risk, and if necessary will take appropriate actions to mitigate these exposures.

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

The Group's current assets and current liabilities as at 31 March 2016 were HK\$3,871.8 million and HK\$822.6 million (2015: HK\$3,506.6 million and HK\$836.3 million), respectively. Advances from non-controlling interests of a subsidiary of the Company amounted to HK\$132.0 million (2015: HK\$150.0 million), which is denominated in Hong Kong dollars, unsecured, interest-free and repayable at the discretion of non-controlling interests and availability of surplus fund of the subsidiary. Bank borrowings of HK\$507.6 million (2015: HK\$545.9 million), denominated in Hong Kong dollars, is secured and interest bearing at prevailing market rates and has a fixed repayment term. During the Year, the Group partially repaid the advances from non-controlling interests and bank borrowings in aggregate of HK\$56.3 million. As a result, the gearing ratio of the Group (expressed as a percentage of total borrowings over total equity) decreased to 12.5% (2015: 14.2%) as of 31 March 2016.

Pledge of Assets

As at 31 March 2016, assets with carrying values of approximately HK\$3.0 billion (2015: HK\$4.9 billion) were pledged to several banks as security for banking facilities, for a total of approximately HK\$1.2 billion (2015: HK\$3.0 billion) granted to the Group. In addition, the Group has a bank deposit of HK\$0.3 million (2015: HK\$0.3 million) pledged to a bank as security for the use of ferry ticket equipment provided by a third party to the Group.

BUSINESS REVIEW

The Group currently operates two hotels, Grand Emperor Hotel (“GEH”) and Inn Hotel Macau (“IHM”), in Macau.

GEH, the Group’s flagship project, on the Peninsula, is an award-winning 26-storey gaming hotel with a gross floor area of approximately 655,000 square feet and 307 guest rooms. It has six gaming floors, covering over 130,000 square feet, and offers slot machines as well as gaming tables in the gaming concourse and the VIP room. With strong commitment to providing guests with unparalleled entertainment and hospitality experiences, the Group delivers consistently top quality services that translate into high levels of customer satisfaction and loyalty.

IHM is a 17-storey hotel with a gross floor area of approximately 209,000 square feet, and 287 guest rooms. During the Year, refurbishment of IHM was completed with upgraded room furnishings, exterior walls and public areas, to create a more comfortable and contemporary experience for guests. Through extending coverage from the Peninsula to Taipa, the Group can fully capture the potential of Macau’s hospitality market.

Gaming Revenue

The Group’s casino in GEH is operated under the gaming licence held by Sociedade de Jogos de Macau, S.A. During the Year, the Group’s gaming revenue declined moderately to HK\$1,451.5 million (2015: HK\$1,731.1 million), accounting for 84.3% of the Group’s total revenue. Nevertheless, the Group managed to achieve a growth in revenue from the VIP room, leveraging its effective customer segmentation strategy in prioritising on VIP customers.

Gaming Concourse

The gross win in the gaming concourse fell to HK\$1,593.9 million (2015: HK\$2,149.3 million). Revenue from the gaming concourse was HK\$888.7 million (2015: HK\$1,194.1 million). The segment accounted for 51.6% of the Group’s total revenue, compared with 58.7% in the previous year. There were 67 tables (2015: 67 tables) in the gaming concourse. Average win per table per day was HK\$65,000 (2015: HK\$87,000).

VIP Room

The Group self-managed a VIP room with 10 tables (2015: 10 tables), with the rolling amount of HK\$22.4 billion (2015: HK\$25.4 billion). Revenue from VIP room grew by 4.5% to HK\$527.5 million (2015: HK\$504.7 million), accounting for 30.7% of the Group's total revenue. Average win per table per day increased to HK\$253,000 (2015: HK\$243,000).

Slot Machines

The segment recorded a gross win of HK\$77.7 million (2015: HK\$72.6 million), with a capacity of 188 slot seats (2015: 200 slot seats). Segmental revenue was HK\$35.3 million (2015: HK\$32.2 million), accounting for 2.0% of the Group's total revenue. Average win per seat per day was HK\$1,122 (2015: HK\$1,030).

Hotel Revenue

The Group's hotel revenue derives from the hospitality income of GEH and IHM. The hotel revenue was HK\$269.5 million (2015: HK\$303.7 million), accounting for 15.7% of the total revenue.

As of 31 March 2016, GEH and IHM provided 307 and 287 guest rooms, respectively. During the Year, the average room rates of GEH and IHM were HK\$962 per night (2015: HK\$1,258 per night) and HK\$491 per night (2015: HK\$620 per night), with occupancy rates of 89% (2015: 88%) and 85% (2015: 93%), respectively. Combined room revenue was HK\$99.6 million (2015: HK\$128.8 million). Combined revenue from food and beverage was HK\$129.1 million (2015: HK\$129.7 million), while the aggregate amount of rental and other revenue was HK\$40.8 million (2015: HK\$45.2 million).

OUTLOOK

The operating environment in Macau remains challenging amid macroeconomic uncertainties, regulatory headwinds and intensified competition. In face of tough conditions, the Group strives to mitigate the adverse impact by optimising gaming mix, maximising table utilisation and improving operating efficiency. Over the years, the Group has built a reputation for providing personal, exceptional and superior customer services to achieve high levels of customer satisfaction. The modest growth in VIP segment reflected the Group's proven success in its capability for offering unique gaming and hospitality experiences. The Group remains committed to reinforcing its competitive edges in order to be well-positioned to capture the full potential once the gaming market rebounds.

Since late 2015, Macau gaming revenues showed signs of stabilisation after massive correction for consecutive months. The rising income levels among Chinese, together with improving cross-border connectivity brought by infrastructure enhancement such as the under-construction Hong Kong–Zhuhai–Macau bridge, light-rail system connecting to Mainland China and expansion of border gates in Macau, will strength the competitiveness of Macau as a premier global gaming and entertainment destination. The Group is cautiously optimistic about the prospects for tourism and the gaming market in Macau and continues to seek expansion opportunities in the city.

EMPLOYEES AND REMUNERATION POLICY

As at 31 March 2016, the Group's number of employee was 1,234 (2015: 1,244). Total staff costs including the Directors' remuneration and the other staff costs for the Year were HK\$449.0 million (2015: HK\$453.3 million). Employees' remuneration was determined in accordance with individual's responsibility, competence and skills, experience and performance as well as market pay level. Staff benefits include medical and life insurance, retirement benefits and other competitive fringe benefits.

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

FINAL DIVIDEND

The Board recommended the payment of a final dividend of HK\$0.052 (2015: HK\$0.06) per share ("Final Dividend") for the Year, amounting to approximately HK\$67,732,000 (2015: HK\$78,153,000). The Final Dividend, if being approved at the forthcoming annual general meeting of the Company ("AGM"), will be paid on 15 September 2016 (Thursday) to shareholders whose names appear on the register of members of the Company on 24 August 2016 (Wednesday).

CLOSURE OF REGISTER OF MEMBERS

For ascertaining shareholders' right to attend and vote at AGM

Latest time to lodge transfers	4:30 p.m. on 12 August 2016 (Friday)
Book close dates	15 and 16 August 2016 (Monday and Tuesday)
Record date	16 August 2016 (Tuesday)
AGM	16 August 2016 (Tuesday)

For ascertaining shareholders' entitlement to the proposed Final Dividend

Latest time to lodge transfers	4:30 p.m. on 22 August 2016 (Monday)
Book close dates	23 and 24 August 2016 (Tuesday and Wednesday)
Record date	24 August 2016 (Wednesday)
Final Dividend payment date	15 September 2016 (Thursday)

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

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

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

REVIEW OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR

The Audit Committee of the Company, which comprises the three independent non-executive directors of the Company, had reviewed the audited consolidated financial statements for the Year in conjunction with the Group's auditor, Messrs. Deloitte Touche Tohmatsu. Based on this review and discussion with the management of the Company, the Audit Committee was satisfied that the audited consolidated financial statements were prepared in accordance with applicable accounting standards and fairly presented the Group's financial position as at 31 March 2016 and annual results for the Year.

CORPORATE GOVERNANCE

Corporate Governance Code

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

Model Code for Securities Transactions

The Company has adopted its own code of conduct regarding securities transactions by Directors ("EEH Securities Code") on no less exacting terms than the required standards set out in Appendix 10 of the Listing Rules – Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code"). Having made specific enquiry to the Directors, all of them confirmed that they have complied with the required standard of dealings as set out in the Model Code and the EEH Securities Code throughout the Year.

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

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

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

PUBLICATION OF THE ANNUAL RESULTS AND ANNUAL REPORT

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

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

Hong Kong, 22 June 2016

As at the date hereof, the Board comprises:

Non-executive Director:

Ms. Luk Siu Man, Semon

Executive Directors:

Mr. Wong Chi Fai

Ms. Fan Man Seung, Vanessa

Independent Non-executive Directors:

Ms. Chan Wiling, Yvonne

Mr. Yu King Tin

Ms. Kwan Shin Luen, Susanna