



英皇娛樂酒店有限公司  
Emperor Entertainment Hotel Limited

Incorporated in Bermuda with limited liability (Stock Code: 296)



MAPPING OUT A STRATEGIC FOCUS

ANNUAL REPORT

2014/2015

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# Corporate Information and Key Dates

## Directors

Luk Siu Man, Semon\* (*Chairperson*)  
Wong Chi Fai  
Fan Man Seung, Vanessa  
Chan Wiling, Yvonne\*\*  
Wan Choi Ha\*\*  
Yu King Tin\*\*

\* Non-executive Director

\*\* Independent Non-executive Directors

## Company Secretary

Liu Chui Ying

## Audit Committee

Yu King Tin (*Chairman*)  
Chan Wiling, Yvonne  
Wan Choi Ha

## Remuneration Committee

Chan Wiling, Yvonne (*Chairperson*)  
Wong Chi Fai  
Yu King Tin

## Nomination Committee

Wan Choi Ha (*Chairperson*)  
Fan Man Seung, Vanessa  
Chan Wiling, Yvonne

## Corporate Governance Committee

Fan Man Seung, Vanessa (*Chairperson*)  
Wan Choi Ha  
Yu King Tin  
A representative of company secretarial function  
A representative of finance and accounts function

## Executive Committee

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

## Auditor

Deloitte Touche Tohmatsu

## Investor Relations Contact

Luk Man Ching, Anna  
Email: [ir296@emperorgroup.com](mailto:ir296@emperorgroup.com)

## Principal Bankers

Bank of China Limited, Macau Branch  
Bank of Communications Co., Ltd. Hong Kong Branch  
Chong Hing Bank Limited  
Industrial and Commercial Bank of China (Macau) Limited  
OCBC Wing Hang Bank Limited

## Registered Office

Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

## Principal Office

28th Floor  
Emperor Group Centre  
288 Hennessy Road  
Wanchai, Hong Kong

## Registrar (in Bermuda)

Codan Services Limited  
Clarendon House  
2 Church Street  
Hamilton HM11  
Bermuda

## Registrar (in Hong Kong)

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

## Website

<http://www.emp296.com>

## Stock Code

Hong Kong Stock Exchange: 296

## 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 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 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 Corporation 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](mailto:is-enquiries@hk.tricorglobal.com).



# Financial Summary

For the year ended 31 March

	2015 HK\$'000	2014 HK\$'000	Changes
Revenue	2,034,787	2,265,476	-10.2%
Gross profit	1,441,758	1,739,003	-17.1%
EBITDA (after non-controlling interests)	634,452	707,019	-10.3%
EBITDA margin (after non-controlling interests)	31.2%	31.2%	Nil
Profit for the year attributable to owners of the Company	504,277	600,006	-16.0%
Basic earnings per share	HK\$0.39	HK\$0.46	-15.2%
Total dividends per share	HK\$0.110	HK\$0.135	-18.5%



# Management Discussion and Analysis

Emperor Entertainment Hotel Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) principally engage in provision of entertainment and hospitality services in Macau.

## Market Review

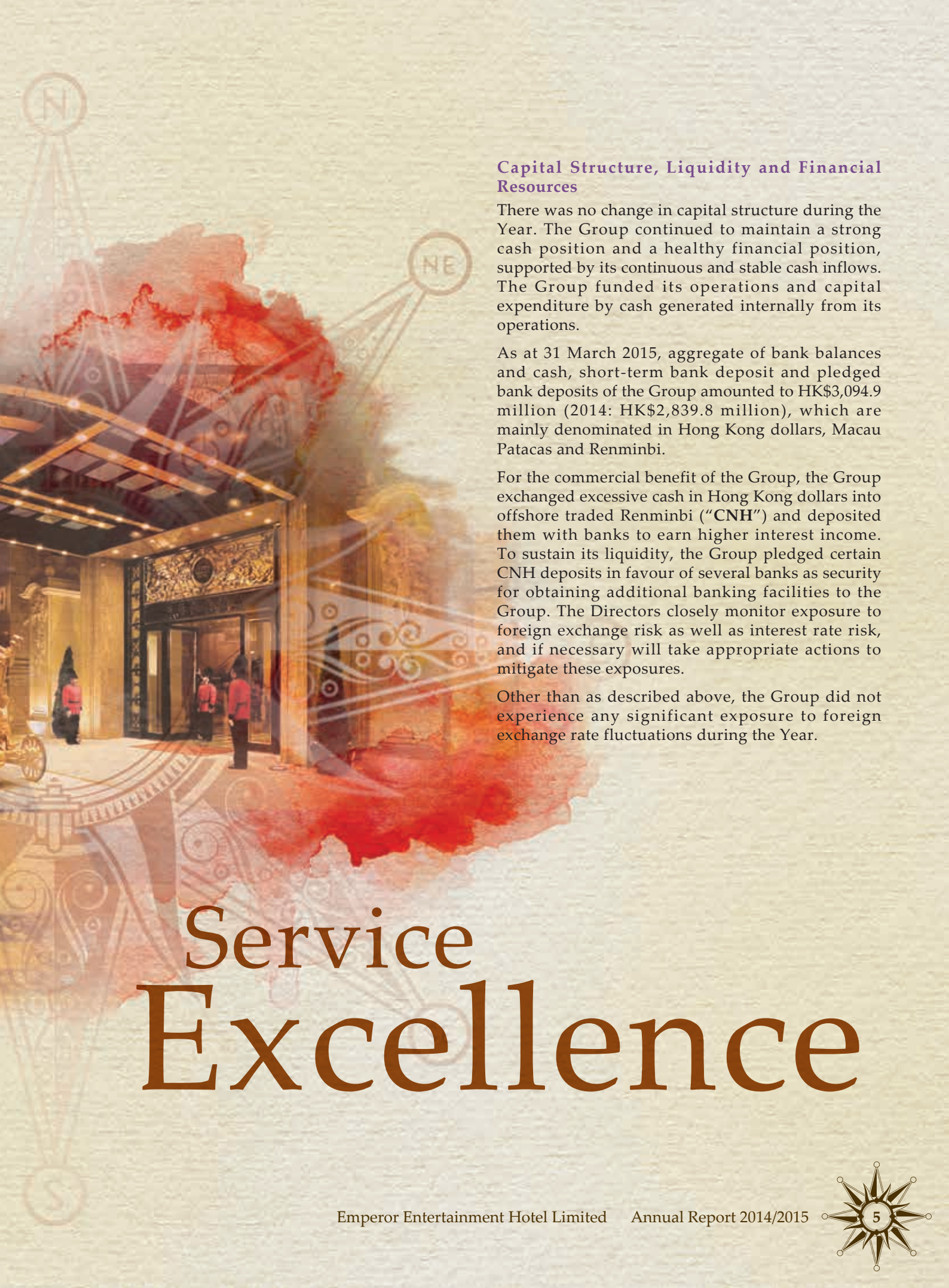
During the year ended 31 March 2015 (the “**Year**”), Macau’s gross gaming revenue plunged 16.8% year-on-year, to MOP315,256 million, due to the suppressed visitor spending amid a cooling Chinese economy and an ongoing austerity initiative. In March 2015, the last month of the Year, Macau’s gaming revenue continued its double-digit decline for the seventh consecutive month. The worsening trend was a result of tighter visa restrictions, new measures on controlling cross-broader capital flows, implementation of a smoking ban on mass market gaming floors, and the protest in Hong Kong.

## Financial Review

### Overall Review

Given a challenging market environment overshadowed by economic and regulatory concerns, the Group reported revenue of HK\$2,034.8 million (2014: HK\$2,265.5 million) during the Year. The Group’s earnings before interest, tax, depreciation and amortisation (“**EBITDA**”) and after non-controlling interests was HK\$634.5 million (2014: HK\$707.0 million). The EBITDA margin after non-controlling interests was 31.2% (2014: 31.2%). Profit for the Year attributable to the owners of the Company was HK\$504.3 million (2014: HK\$600.0 million). Basic earnings per share was HK\$0.39 (2014: HK\$0.46). The board of directors of the Company (the “**Board**” or “**Directors**”) recommended the payment of a final dividend of HK\$0.06 (2014: HK\$0.075) per share. Together with the interim dividend of HK\$0.05 (2014: HK\$0.06) per share, the total dividends per share for the Year are HK\$0.11 (2014: HK\$0.135).



The background of the page features a photograph of a hotel lobby with a high ceiling and ornate architecture. Overlaid on this image is a large, semi-transparent compass rose with directional markers for North (N), Northeast (NE), and South (S).

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

As at 31 March 2015, aggregate of bank balances and cash, short-term bank deposit and pledged bank deposits of the Group amounted to HK\$3,094.9 million (2014: HK\$2,839.8 million), which are mainly denominated in Hong Kong dollars, Macau Patacas and Renminbi.

For the commercial benefit of the Group, the Group exchanged excessive cash in Hong Kong dollars into offshore traded Renminbi (“CNH”) and deposited them with banks to earn higher interest income. To sustain its liquidity, the Group pledged certain CNH deposits in favour of several banks as security for obtaining additional banking facilities to the Group. The Directors closely monitor 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.

# Service Excellence

# Management Discussion and Analysis

The Group's current assets and current liabilities as at 31 March 2015 were HK\$3,506.6 million and HK\$836.3 million (2014: HK\$3,238.0 million and HK\$1,660.2 million), respectively. Advances from non-controlling interests of a subsidiary of the Company amounted to HK\$150.0 million (2014: HK\$186.0 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\$545.9 million (2014: HK\$591.9 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 fully repaid other loan of HK\$315.0 million and partially repaid the advances from non-controlling interests and bank borrowings in aggregate of HK\$82.0 million. As a result, the gearing ratio of the Group (expressed as a percentage of total borrowings over total equity) decreased to 14.2% (2014: 24.9%) as of 31 March 2015.

## Pledge of Assets

As at 31 March 2015, assets with carrying values of approximately HK\$4.9 billion (2014: HK\$3.9 billion) were pledged to several banks as security for banking facilities, for a total of approximately HK\$3.0 billion (2014: HK\$2.4 billion) granted to the Group. In addition, the Group has a bank deposit of HK\$0.3 million (2014: 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"; to be renamed from Best Western Hotel Taipa), in Macau.

GEH, the Group's flagship project, on the Peninsula, is an award-winning 26-storey gaming hotel with a total gross floor area of 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. The Group strives to pursue an effective customer segmentation strategy, with a strong focus on the premium mass market. The Group's gaming revenue inevitably declined amid unfavourable market conditions during the Year.

IHM is a 17-storey hotel with total gross floor area of approximately 209,000 square feet, and 285 guest rooms. During the Year, refurbishment of IHM was carried out in phases, with upgrading of room furnishings, exterior walls and public areas, to create a more comfortable and contemporary experience for guests. The refurbishment is set to be completed during 2015. 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 was HK\$1,731.1 million (2014: HK\$2,050.1 million), accounting for 85.1% of the Group's total revenue.

## Gaming Concourse

The gross win in the gaming concourse fell to HK\$2,149.3 million (2014: HK\$2,831.5 million). Revenue from the gaming concourse was HK\$1,194.1 million (2014: HK\$1,569.3 million). The segment accounted for 58.7% of the Group's total revenue, compared with 69.3% in the previous year. There were 67 tables (2014: 67 tables) in the gaming concourse. Average win per table per day was HK\$87,000 (2014: HK\$115,000).





# Recreational Facilities

## *VIP Room*

The Group self-managed a VIP room with 10 tables (2014: 10 tables), with the rolling amount of HK\$25.4 billion (2014: HK\$26.1 billion). Revenue from VIP room grew by 11.8% to HK\$504.7 million (2014: HK\$451.5 million), accounting for 24.8% of the Group's total revenue. Average win per table per day increased to HK\$243,000 (2014: HK\$218,000).

## *Slot Machines*

The segment recorded a gross win of HK\$72.6 million (2014: HK\$66.5 million), with a capacity of 200 slot seats (2014: 200 slot seats). Segmental revenue was HK\$32.3 million (2014: HK\$29.3 million), accounting for 1.6% of the Group's total revenue. Average win per seat per day was HK\$1,030 (2014: HK\$950).



# Management Discussion and Analysis

## Hotel Revenue

This was the first financial year that the income from IHM was fully reflected in the Group's hotel revenue, following its acquisition in March 2014. As a result, the hotel revenue increased significantly by 41.0% to HK\$303.7 million (2014: HK\$215.4 million), accounting for 14.9% of the total revenue.

As of 31 March 2015, GEH and IHM provided 307 and 285 guest rooms, respectively. During the Year, the average room rates of GEH and IHM were HK\$1,258 per night (2014: HK\$1,304 per night) and HK\$620 per night (2014: HK\$559 per night), with occupancy rates of 88% (2014: 88%) and 93% (2014: 98%), respectively. Combined room revenue was HK\$128.8 million (2014: HK\$54.8 million). Combined revenue from food and beverage was HK\$129.7 million (2014: HK\$122.4 million), while the aggregate amount of rental and other revenue was HK\$45.2 million (2014: HK\$38.2 million).

# Leisurable moments



## Outlook

The core strength of the Group is built on its capability to deliver consistently high quality customer services and promote customer loyalty through delivery of unparalleled entertainment and hospitality experiences. In the midst of a market correction, the Group endeavours to enhance its competitiveness, improve operational efficiency and promptly respond to the challenging conditions, and ultimately, ensure it reaps the greatest potential as and when the market momentum revives. In the long-term, the Group remains positive regarding the prospects of Macau as a premier global gaming and entertainment destination, supported by the city's solid fundamentals including close proximity to the Mainland, continuous infrastructure improvements and attractiveness of cross-cultural experiences.

Despite the tough market environment, the Group continues to seek expansion opportunities in the city to pursue long-term growth. As demonstrated by the acquisition of IHM, the Group is focused on building and adding value of its assets and maximising returns to shareholders. Upon completion of its refurbishment work in 2015, IHM will present an entirely revitalised image and provide the Group with incremental revenue gains and steady returns on capital.

## Employees And Remuneration Policy

As at 31 March 2015, the Group's number of employee was 1,244 (2014: 1,240). Total staff costs including the Directors' remuneration and the other staff costs for the Year were HK\$453.3 million (2014: HK\$410.3 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 are set out in the section headed "Share Option Scheme" on pages 75 and 76.



# Environment, Social and Governance Report

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 believes that a motivated and balanced workforce is crucial for building a sustainable business model and delivering long-term returns.

As at 31 March 2015, the permanent employees of the Group totalled 1,244, mainly working in the hotel and gaming operations in Macau. The age distribution of the Group's workforce (as at 31 March 2015) is summarised below:

Age Distribution	
≤25	17%
26-35	33%
36-45	23%
46-55	18%
≥56	9%
	<b>100%</b>

The Group has a diverse workforce in terms of gender and age, providing a variety of ideas and levels of competency that contribute the Group's success. The Group is firmly committed to gender equality, and therefore particularly encourages female participation at managerial and operational level. Women represent approximately 57% of the total employment in the Group.

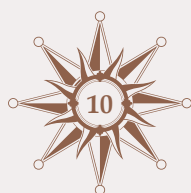
Staff turnover rate among managerial positions is relatively low, reflecting a high level of employee satisfaction and engagement with the Group.

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. Service Awards are presented to congratulate those staff who have contributed for 5, 10, 15, 20 and 25 years.

### Health and Safety

The Group prides itself on providing a safe, healthy and hygienic environment for its staff and guests. Adequate arrangements, training courses and guidelines are implemented for promoting occupational health and safety. The Group proactively identifies potential occupational hazards to reduce staff exposure to accidents. For example, 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 and be individually assessed under the internal guideline procedures. The Group is pleased to report that the rate of accidents and injuries during the Year was extremely low.

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 and other competitive fringe benefits.



# Environment, Social and Governance Report

## Development and Training

The Group recognises the importance of skilled and professionally trained employees to its business growth and future success. Staff are encouraged to pursue educational or training opportunities that achieve personal growth and professional development. Various training courses are regularly conducted to promote occupational safety, personal and food hygiene, fire and emergency response, first aid, and customer serving skills. During the Year, the Group dedicated around 17,508 hours to staff training, representing approximately 14 hours per employee.

In addition, the Group 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.

## Environmental Protection

### Use of Resources

The Group recognises its responsibility to protect the environment from its business activities and services. The Group continually seeks to identify and manage environmental impacts attributable to its operational activities, in order to formulate action plans to minimise these impacts if possible.

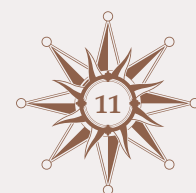
In the hotel operations, air conditioning and lighting are the main contributors to the Group’s carbon footprint. In recent years, the Group has stepped up its efforts in environmental initiatives to maximise energy conservation, by promoting efficient use of resources and adopting green technologies. 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.



# Environment, Social and Governance Report

Additionally, the Group incorporated various environmental initiatives in its operations, to minimise waste generation. For instance, 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.

## Operational Practices

### Supply Chain Management

The Group values mutually beneficial and longstanding relationships with its suppliers. 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 given to those who demonstrate their environmental commitment.

### Customer Services

The Group delivers consistently high quality customer services by its experienced and well-trained customer services executives. GEH was granted "TripAdvisor Certificate of Excellence Award 2014" and "Ctrip Best Partner 2014" by renowned travel websites during the Year, in recognition of its outstanding hospitality performance.

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. Staff are provided with adequate training in compliance with applicable laws on data privacy protection, to strengthen their awareness of safeguarding personal data.

### Protection of intellectual property

The Group establishes and protects its intellectual property rights including through registration and regular monitoring of trademarks and domain names. Trademarks have been applied for or registered under various classes in Hong Kong, Macau, the People's Republic of China (the "PRC") and other relevant jurisdictions.

### Anti-corruption/Anti-money laundering

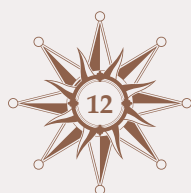
In order to build up an ethical corporate culture and practices, the Group has established policies and procedures for preventing corruption and anti-money laundering. The Group also adopted a whistle-blowing system and reporting procedures for reporting concerns raised in connection with, inter alia, 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 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 training.

During the Year, no legal case regarding corrupt practices was brought against the Company or its employees. As well, no whistle-blowing concerning criminal offence or misconduct was reported.

### Compliance to Laws and Regulations

Compliance procedures are in place to ensure adherence to applicable laws, rules and regulations, which 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 were regularly reviewed. Updates on the applicable laws, rules and regulations are brought to the attention of relevant employees and relevant operation units from time to time.



# Environment, Social and Governance Report

The Group holds relevant required licences for the provision of services, such as Junket Promoter Licence issued by the Gaming Inspection and Coordination Bureau of Macau SAR, 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 application laws and regulations.

## Community Involvement

During the Year, the Group and its staff made efforts to serve those in need. The Group mobilised over 100 passionate staff members to participate in “Oxfam Rice Sale Fundraising Event”, organised by Oxfam Macau for two consecutive days in May 2014. The charity sale raised fund for rural poverty alleviation projects in the mainland, helping to relieve people’s living standards through greater self-reliance. During annual participation in an outbound volunteering activity organised by Emperor Foundation, staff joined a tour to Hubei Province, the PRC, in September 2014. The four-day tour was dedicated to helping underprivileged elderly people in Hubei Hong Kong Emperor Elderly Care Centre, the daily operations of which have been partially funded by Emperor Foundation since 2006, as well as a suburban welfare centre in Huangshi city, southeastern Hubei.

The Group is devoted to promoting environmental awareness through green education. In May 2014, staff participated in a tree planting day organised by the Committee of International Million Trees (Forest) Project and Network. Staff enjoyed a pleasant outing, which enhanced their awareness of the importance of protecting the environment. Led by experts from World Wild Fund For Nature Hong Kong, staff also enjoyed a guided field trip to the Mai Po Nature Reserve, which protects rare wildlife and beautiful scenery. Through this meaningful tour, staff could explore wetland biodiversity and get closer to nature.

The Group has been named as 5 Years Plus Caring Company by the Hong Kong Council of Social Service, in recognition of its long term commitment to helping build a better community.



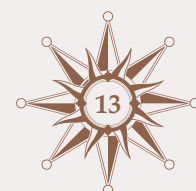
Oxfam Rice Sale Fundraising Event



Volunteer tour to Hubei Hong Kong Emperor Elderly Care Centre



Field trip to the Mai Po Nature Reserve



## 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 March 2000. Ms. Luk is also the non-executive director and chairperson of Emperor International Holdings Limited (Stock Code: 163) ("**Emperor International**"), which is an indirect holding company 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

**WONG CHI FAI** aged 59, the Executive 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 the 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 International 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 member of the Association of Chartered Certified Accountants.

**FAN MAN SEUNG, VANESSA**, aged 52, the Executive Director of the Company. Ms. Fan joined the Company in 1991. She has been responsible for the Group's strategic planning, business growth and development as well as overseeing different functions within the Group. She is also the Chairperson of the Corporate Governance Committee, a member of the Executive Committee and Nomination Committee of the Company as well as a director of certain subsidiaries of the Company. Ms. Fan is also a director of Emperor International 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, Ms. Fan 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. Ms. Fan is a lawyer by profession in Hong Kong and a qualified accountant, and holds a Master's Degree in Business Administration.



## Biographies of Directors and Senior Executives

### Independent Non-executive Directors

**CHAN WILING, YVONNE**, aged 50, was appointed as Independent Non-executive Director of the Company in September 2004. She is the Chairperson of the Remuneration Committee as well as a member of the Audit Committee and Nomination Committee of the Company. Ms. Chan is an associate member of the Hong Kong Institute of Certified Public Accountants and a fellow member of the Association of Chartered Certified Accountants. She previously worked in two international accounting firms, Touche Ross & Co. and Ernst & Young and engaged in accounting, auditing and information security fields for 20 years. She graduated from the Hong Kong Polytechnic University majoring in accountancy and obtained a Master's Degree in Business Administration from Heriot-Watt University in Scotland.

**WAN CHOI HA**, aged 47, was appointed as Independent Non-executive Director of the Company in February 2006. She is the Chairperson of the Nomination Committee as well as a member of the Audit Committee and Corporate Governance Committee of the Company. Ms. Wan has been admitted as a solicitor in Hong Kong since 1993 and is now a Partner of Wan and Leung, Solicitors. She graduated from The University of Hong Kong with a Bachelor's Degree in Laws.

**YU KING TIN**, aged 48, was appointed as an 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 Remuneration Committee and Corporate Governance Committee of the Company. Mr. Yu has worked in various organizations including The Inlands Revenue Department of The Government of the Hong Kong Special Administrative Region, international certified public accountants firms and listed companies in Hong Kong. He is currently one of the senior management in the finance department of a conglomerate listed in Hong Kong. He was previously a director of another Hong Kong listed company, Tanrich Financial Holdings Limited (now known as Southwest Securities International Securities Limited) (Stock Code: 812) and resigned on 27 January 2015. Mr. Yu graduated from the Peking University with a Bachelor's Degree in Law and The Hong Kong Polytechnic University with a Master's Degree in Corporate Finance. He is an associate member of the Hong Kong Institute of Certified Public Accountants, a fellow member of the Association of Chartered Certified Accountants, a Certified Tax Advisor and a member of the Society of Registered Financial Planner.





# 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 35 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 35. The dividends paid during the Year and proposed to be paid for the Year are set out in note 13 to the consolidated financial statements.

An interim dividend of HK\$0.05 per share for the Year (2014: HK\$0.06 per share), amounting to HK\$65,127,000 (2014: HK\$78,108,000), 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\$0.075 per share) for the Year amounting to HK\$78,153,000 (2014: HK\$97,691,000) 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 years is set out on page 83 of the annual report.

## Investment Properties

As at 31 March 2015, the Group revalued all of its investment properties on a market basis at HK\$732,000,000. The increase in fair value of HK\$11,800,000 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 15 to the consolidated financial statements.

A summary of investment properties of the Group as at 31 March 2015 is set out on page 84.

## Property, Plant and Equipment

During the Year, the Group acquired property, plant and equipment at a cost of HK\$103,697,000.

Details of changes in the property, plant and equipment of the Group are set out in note 16 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 27 to the consolidated financial statements.

## Reserves

Details of movements in the reserves of the Group during the Year are set out on page 38.



# Directors' Report

## Distributable Reserves of the Company

The Company's reserves available for distribution to Shareholders as at 31 March 2015 represent the accumulated profits amounting to HK\$161,500,000 (2014: HK\$123,439,000).

## 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

Ms. Fan Man Seung, Vanessa

### Independent Non-executive Directors:

Ms. Chan Wiling, Yvonne

Ms. Wan Choi Ha

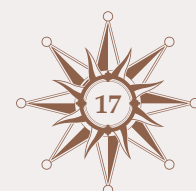
Mr. Yu King Tin

Subject to the respective service contracts/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-law 87(1) and 87(2) of the Company's Bye-laws, Ms. Fan Man Seung, Vanessa ("**Ms. Vanessa Fan**") and Ms. Wan Choi Ha ("**Ms. Noven Wan**") shall retire by rotation at the 2015 AGM. Ms. Vanessa Fan, being eligible, offers herself for re-election while Ms. Noven Wan who served the Company as INED for more than 9 years, being eligible but does not offer herself for re-election.

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 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' Report

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

As 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

*Ordinary shares of HK\$0.0001 each of the Company (the "Shares")*

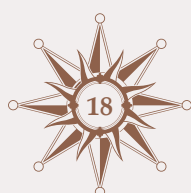
Name of Director	Capacity/ Nature of interests	Number of issued Shares held	Approximate % holding
Ms. Luk Siu Man, Semon ("Ms. Semon Luk")	Interest of spouse	816,287,845 (Note)	62.67%

*Note:* These Shares were held by Emperor Entertainment Hotel Holdings Limited ("Emperor E Hotel Holdings"), an indirect wholly-owned subsidiary of Emperor International. Emperor International is a company with its shares listed in Hong Kong and as at 31 March 2015, approximately 74.83% of its issued share capital was held by Emperor International Group Holdings Limited ("Emperor International Group Holdings"). Emperor International Group Holdings is wholly owned by Albert Yeung Holdings Limited ("AY Holdings") which 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") who is deemed to have interests in the said Shares. By virtue of being the spouse of Dr. Albert Yeung, Ms. Semon Luk also had deemed interests in the same Shares.

### (B) Long position interests in associated corporation

#### (i) Ordinary shares

Name of Director	Number of associated corporation	Capacity/ Nature of interests	Name of issued ordinary share(s) held	Approximate % holding
Ms. Semon Luk	Emperor International	Interest of spouse	2,747,610,489 (Note 1)	74.83%
	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)
Ms. Vanessa Fan	Emperor International	Beneficial owner	5,000,000	0.14%
Mr. Yu King Tin	Emperor W&J	Beneficial owner	80,000	0.001%



# Directors' Report

## Directors' and Chief Executives' Interests and Short Positions in Securities (continued)

### (B) Long position interests in associated corporation (continued)

#### (ii) Debentures

Name of Director	Name of associated corporation	Capacity/ Nature of interests	Amount of debentures held
Ms. Semon Luk	Emperor International	Interest of spouse	HK\$270,000,000 (Note 4)

#### (iii) Share options

Name of Director	Number of associated corporation	Capacity/ Nature of interests	Name of underlying shares held	Approximate % holding
Mr. Wong Chi Fai ("Mr. Bryan Wong")	Emperor International	Beneficial owner	10,769,475 (Note 5)	0.29%
Ms. Vanessa Fan	Emperor International	Beneficial owner	5,769,475 (Note 5)	0.16%

#### Notes:

1. Emperor International and Emperor W&J are companies with their shares listed in Hong Kong. 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 in Hong Kong. 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 interest in the same shares.
3. The percentage is calculated based on the number of issued shares of Emperor Capital Group being enlarged by the issuance of the rights shares. For details, please refer to the announcement dated 26 March 2015 of Emperor Capital Group.
4. These debentures were ultimately owned by the AY Trust whose founder is Dr. Albert Yeung. By virtue of being the spouse of Dr. Albert Yeung, Ms. Semon Luk also had deemed interest in the same debentures of Emperor International.
5. These were share options granted to Mr. Bryan Wong and Ms. Vanessa Fan, also being the directors of Emperor International, under the share option scheme of Emperor International.

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 and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO).

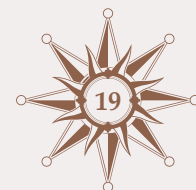
## Share Options

The share option scheme was adopted by the Company on 15 August 2013 ("Share Option Scheme") in view of the lapse of old share option scheme adopted by the Company on 2 September 2002. Particulars of the Share Option Scheme are set out in note 28 to the consolidated financial statements.

No share options were granted under the Share Option Scheme since its adoption.

## Arrangements to Purchase Shares or Debentures

Other than as stated above, at no time during the Year was the Company, its holding companies, its subsidiaries or its fellow subsidiaries, a party to any arrangements to enable the Directors or chief executives 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 position 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 positions in the Shares

Name of Shareholder	Capacity/Nature of interests	Number of issued Shares held	Approximate % holding
Emperor International	Interest in a controlled corporation	816,287,845	62.67%
Emperor International Group Holdings	Interest in a controlled corporation	816,287,845	62.67%
AY Holdings	Interest in a controlled corporation	816,287,845	62.67%
STC International	Trustee of the AY Trust	816,287,845	62.67%
Dr. Albert Yeung	Founder of the AY Trust	816,287,845	62.67%

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 position. 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 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, none of the Directors nor their respective associates was interested in any business which was considered to compete, either directly or indirectly, with the business of the Group as required to be disclosed pursuant to the Listing Rules.



# Directors' Report

## Directors' Interests in Contracts of Significance and Connected Transactions

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

### (i) Provision of services in relation to Grand Emperor Hotel

On 19 February 2010, Tin Hou Limited (“**Tin Hou**”), an indirect wholly-owned subsidiary of the Company, entered into an agreement (“**Agreement**”) with Sociedade de Jogos de Macau, S.A., (“**SJM**”), a company incorporated under the laws of Macau, for the provision of services or obligations comprising the management services and the promotion services to SJM by Tin Hou from 1 October 2009 until the termination: (i) by either party or on the expiration of SJM’s gambling license under the Gaming Concession Contract on 31 March 2020; or (ii) any earlier termination thereof; or (iii) winding up or cessation of business of either party. In consideration for the provision of services, Tin Hou together with the nominated junket promoter which is a fellow subsidiary of Tin Hou and wholly owned by the Company shall be entitled to a share of the gross win and gross loss in respect of the monthly operating performance of the gaming area located at the Grand Emperor Hotel and bear all necessary operational expenses in relation to the operation of the gaming area.

SJM is principally engaged in gaming business in Macau and is one of the six concessionaires/sub-concessionaires licensed to carry on casino operations in Macau. SJM has a 19.99% equity interest in Luck United Holdings Limited, a company indirectly owned as to 60% by the Company, and was therefore a connected person of the Company within the meaning of the Listing Rules by virtue of being a substantial shareholder of a subsidiary of the Company.

During the Year, the Group’s net receipt under the Agreement amounted to HK\$1,578,557,098.

### (ii) Leasing of the Group’s hotel property for the operation of the counterparty

Name of counterparty	Date of agreement	Location	Term	Amount of rental received during the Year HK\$
EWJ Watch and Jewellery Company Limited (now known as EWJ Watch and Jewellery (Macau) Company Limited) (“ <b>EWJ Watch &amp; Jewellery</b> ”)	28 June 2011	Shop No. 5, G/F., Grand Emperor Hotel, 251-292D, Avenida Commercial De Macau, Macau	1 July 2011 – 30 June 2014: Effective rental: HK\$147,333.33 per month	442,000
EWJ Macau Company Limited (“ <b>EWJ Macau</b> ”)	30 June 2014	– Same as above –	1 July 2014 – 30 June 2017: Effective rental: HK\$187,200 per month	1,684,800
EWJ Watch & Jewellery	28 March 2012	Shop Nos. 1 to 4, G/F., Grand Emperor Hotel, 251-292D Avenida Commercial De Macau, Macau	1 April 2012 – 31 March 2015: Effective rental: HK\$344,000 per month	4,128,000
EWJ Macau	31 March 2015	– Same as above –	1 April 2015 – 31 March 2018: Effective rental: HK\$324,888.89 per month	N/A

Note: EWJ Watch & Jewellery and EWJ Macau are indirect wholly-owned subsidiaries of Emperor W&J. As at 31 March 2015, Emperor W&J was indirectly owned as to approximately 52.57% by the AY Trust, a discretionary trust set up by Dr. Albert Yeung, a deemed substantial shareholder of the Company. By virtue of being the spouse of Dr. Albert Yeung, Ms. Semon Luk, a Director of the Company, had deemed interests in the above transactions.



# Directors' Report

## Directors' Interests in Contracts of Significance and Connected Transactions (continued)

### Compliance with disclosure requirements

Save as the "Rental income from a related company" in the amount of HK\$6,255,000 for the Year as shown in note 33 – "Related Party Transactions" to the consolidated financial statements which constituted continuing connected transactions of the Company under the Chapter 14A of the Listing Rules, all other transactions as shown in the note thereon 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.

### Auditor's letter on 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 Review 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 his findings and conclusions in respect of the continuing connected transactions disclosed by the Group ("**Disclosed CCTs**") on page 21 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:

- (i) in the ordinary and usual course of business of the Group;
- (ii) on normal commercial terms or better (as the case may be); and
- (iii) 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 the independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all of the INEDs are independent.



# Directors' Report

## 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.

Employee's 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 salary, Directors' fee, 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 relevant participants (including Directors and eligible employees), the remuneration package has been extended to include share options under the Share Option Scheme, details of which are set out in note 28 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 11 to the consolidated financial statements.

## 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 provisions 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.

## Major Customers and Suppliers

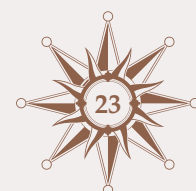
During the Year, the aggregate amount of revenue attributable to the Group's five largest customers represented 87.4% of the Group's total revenue. The largest customer accounted for approximately 85.3% of the Group's total revenue and is the operator of VIP room, mass market hall and slot machine hall who paid fee for the services rendered by the Group.

The five largest suppliers contributed to less than 30% of total purchases and services received by the Group during the Year.

Save as disclosed above, none of the Directors, their close associates or any Shareholders which, to the knowledge of the Directors, owns 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 and suppliers of the Group.

## Corporate Governance

Principal corporate governance practices adopted by the Company are set out in the Corporate Governance Report on pages 25 to 33.





# Directors' Report

## 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.

## Auditor

A resolution will be submitted to the 2015 AGM to re-appoint 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 six Directors, with one Non-executive Director who is also the Chairperson of the Company, two 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 14 to 15 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 2000 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.

Mr. Bryan Wong and Ms. Vanessa Fan have been appointed as Executive Directors, 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, auditing or information security in business areas who contribute impartial view and make independent judgment on issues to be discussed at Board meetings. Each of them is 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.

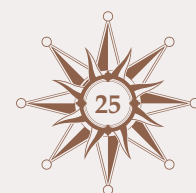
### Roles and Responsibilities of the Board

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.

### 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.



# Corporate Governance Report

## The Board (continued)

### Delegation to the Management (continued)

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 corporate 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 corporate governance practices.

The Directors confirmed that they have complied with the Code Provision A.6.5 of the Code on Directors' training. During the Year, each Director has participated in continuous professional development by attending seminars/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 <sup>(Notes)</sup>
Ms. Luk Siu Man, Semon	(a) and (b)
Mr. Wong Chi Fai	(a), (b), (c) and (d)
Ms. Fan Man Seung, Vanessa	(a), (b), (c) and (d)
Ms. Chan Wiling, Yvonne	(a), (b) and (c)
Ms. Wan Choi Ha	(a) and (b)
Mr. Yu King Tin	(a), (b) and (c)

Notes: (a) corporate governance

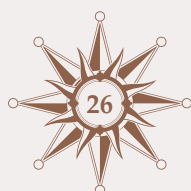
(b) regulatory

(c) finance

(d) industry-specific

### 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.



# Corporate Governance Report

## The Board *(continued)*

### Directors' Insurance

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

### Directors' Attendance and Time Commitment

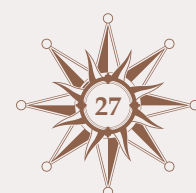
The attendance of Directors at the meetings during the Year is set out below:

Name of Directors	No. of meetings attended/held					2014 AGM
	Board	Audit Committee	Remuneration Committee	Nomination Committee	Corporate Governance Committee	
<i>Non-executive Director</i>						
Ms. Luk Siu Man, Semon	5/5	N/A	N/A	N/A	N/A	1/1
<i>Executive Directors</i>						
Mr. Wong Chi Fai (Note 1)	5/5	N/A	1/1	N/A	N/A	1/1
Ms. Fan Man Seung, Vanessa (Note 2)	5/5	N/A	N/A	1/1	1/1	1/1
<i>Independent Non-executive Directors</i>						
Ms. Chan Wiling, Yvonne (Note 3)	5/5	3/3	1/1	1/1	N/A	1/1
Ms. Wan Choi Ha (Note 4)	5/5	3/3	N/A	1/1	1/1	1/1
Mr. Yu King Tin (Note 5)	5/5	3/3	1/1	N/A	1/1	1/1
Total number of meetings held	5	3	1	1	1	1

#### Notes:

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

Upon reviewing (a) the annual confirmation of the 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 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 have 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 15 September 2004)*

The Audit Committee consists of three INEDs, namely Mr. Yu King Tin (Chairman of the Committee), Ms. Chan Wiling, Yvonne and Ms. Wan Choi Ha.

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 as follows:

- 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;
- iii. annual review of the non-exempt continuing connected transactions of the Group for the Year;
- 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.



# Corporate Governance Report

## The Board *(continued)*

### Board Committees *(continued)*

#### 2. *Remuneration Committee (set up on 11 July 2005)*

The Remuneration Committee consists of three members, namely Ms. Chan Wiling, Yvonne (Chairperson of the Committee) and Mr. Yu King Tin, both being INEDs, and Mr. Wong Chi Fai, being an Executive 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) the Company's policies and structure for the remuneration of Directors and senior management; (b) the remuneration packages of Non-executive Directors; and (c) the specific remuneration packages of individual Executive Directors and senior management. Details of the remuneration of each of the Directors for the Year are set out in note 11 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)*

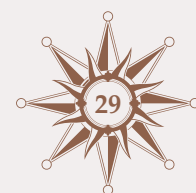
The Nomination Committee consists of three members, namely Ms. Wan Choi Ha (Chairperson of the Committee) and Ms. Chan Wiling, Yvonne, both being INEDs, and Ms. Fan Man Seung, Vanessa, being an Executive Director.

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 of Directors. The Nomination Committee held one meeting during the Year.

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 the duties and as Directors; and
- iv. recommended the Board on the nomination of Directors for election and 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 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, profession 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.



# Corporate Governance Report

## The Board *(continued)*

### Board Committees *(continued)*

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

The Corporate Governance Committee consists of five members, namely Ms. Fan Man Seung, Vanessa (Chairperson of the Committee), being an Executive Director, Mr. Yu King Tin and Ms. Wan Choi Ha, 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 and monitoring the code of conduct of Directors and relevant employees 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.

#### 5. *Executive Committee (set up on 25 November 2014)*

The Executive Committee consists of two members, namely Mr. Wong Chi Fai (Chairman of the Committee) and Ms. Fan Man Seung, Vanessa, both 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.

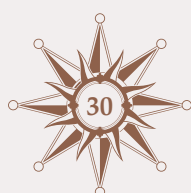
## Securities Transaction of Directors

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 as set out in the Model Code 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.



# Corporate Governance Report

## 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 only 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.

Proper controls are in place for the recording of complete, accurate and timely accounting and management information. Regular reviews and audits are carried out to ensure that the preparation of financial statements is carried out in accordance with generally accepted accounting principles, the Group's accounting policies and applicable laws and regulations.

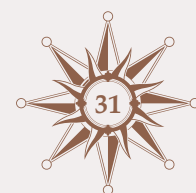
The Internal Audit Department is assigned with the task to perform regular reviews on selected systems of the Group and will report audit review findings or irregularities, if any, to management and advise on the implementation of necessary steps of systems to enhance operational or financial controls.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

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 key control measures are also in place to enhance the internal control system:

- i. Regular reports on revenue, marker 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;
- ii. 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;
- iii. Regular review on operational systems of hotel and gaming business segments to ensure the service quality;
- iv. Monthly updates on internal financial statements are provided to all Directors which give a balanced and understandable assessment of the Group's performance, position and prospects in sufficient detail;
- v. 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;
- vi. 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;
- vii. 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, the Listing Rules and disclosure requirements; and
- viii. 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, qualifications and experience of staff of the Company's accounting and financial reporting function, and training programmes and budget of the Group for the Year. The Board considered that the Group has been maintaining sound and effective internal controls to safeguard the Shareholder's investment and the Group's assets.





# Corporate Governance Report

## Communication with Shareholders

The Company had established a shareholders' communication policy and review it on a regular basis to ensure its effectiveness. The Company communicates with the Shareholders mainly in the following ways: (i) 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; (ii) the publication of announcements, annual reports, interim reports and/or circulars as required under the Listing Rules; (iii) the availability of latest information of the Group in the Company's website at [www.emp296.com](http://www.emp296.com); and (iv) the holding of press conference from time to time.

There is regular dialogue with institutional Shareholders and general presentations are made when financial results are announced. The 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" 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, 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 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 Shareholders at least 10 clear business days before the meetings.

The Chairperson of the AGM and the chairperson/members of the Audit Committee and 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 the meeting.

## Shareholders' Rights

Set out below is a summary of certain rights of the Shareholders as required to be disclosed pursuant to the 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 (i) must state the object(s) of the meeting, and (ii) 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 an 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.

If 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.



# Corporate Governance Report

## Shareholders' Rights (continued)

### Convening a special general meeting ("SGM") and putting forward proposals at general meetings (continued)

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 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 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 an AGM is called for a date six weeks or less after the requisition has been deposited, the 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 "Corporate Information and Key Dates" of this annual report.

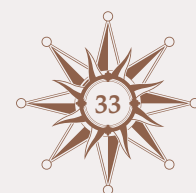
## Constitutional Documents

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

## Auditor's Independence and Remuneration

The Audit Committee is mandated to review and monitor the independence of the auditor to ensure objectivity and the 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 Tohmatsu 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 Company and the remuneration paid/payable to it by the Company is set out as follows:

Service rendered	Fees paid/payable HK\$'000
Audit services	3,200
Non-audit services	–



# Independent Auditor's Report

## Deloitte.

## 德勤

### TO THE MEMBERS OF EMPEROR ENTERTAINMENT HOTEL LIMITED

*(incorporated in Bermuda with limited liability)*

We have audited the consolidated financial statements of Emperor Entertainment Hotel Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 35 to 82, 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, the consolidated statement of changes in equity and the 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 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.

### 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*

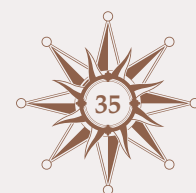
Hong Kong  
24 June 2015



# Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 March 2015

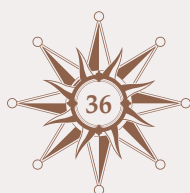
	Notes	2015 HK\$'000	2014 HK\$'000
Revenue	7	2,034,787	2,265,476
Cost of sales		(44,479)	(43,141)
Cost of hotel and gaming operations		(548,550)	(483,332)
Gross profit		1,441,758	1,739,003
Other income		88,283	62,885
Fair value changes of investment properties		11,800	47,000
Selling and marketing expenses		(485,724)	(586,831)
Administrative expenses		(278,381)	(256,791)
Finance costs	9	(19,179)	(2,798)
Profit before taxation	10	758,557	1,002,468
Taxation	12	(63,764)	(94,165)
Profit and total comprehensive income for the year		694,793	908,303
Profit and total comprehensive income for the year attributable to:			
Owners of the Company		504,277	600,006
Non-controlling interests		190,516	308,297
		694,793	908,303
Earnings per share	14		
Basic		HK\$0.39	HK\$0.46
Diluted		N/A	HK\$0.46



# Consolidated Statement of Financial Position

At 31 March 2015

	Notes	2015 HK\$'000	2014 HK\$'000
<b>Non-current assets</b>			
Investment properties	15	732,000	720,200
Property, plant and equipment	16	1,465,881	1,511,220
Prepaid lease payments	17	554,981	571,561
Deposits paid for acquisition of property, plant and equipment		3,564	4,402
Goodwill	18	110,960	110,960
		<b>2,867,386</b>	<b>2,918,343</b>
<b>Current assets</b>			
Inventories, at cost		14,002	13,561
Trade and other receivables	19	381,071	368,075
Prepaid lease payments	17	16,580	16,580
Pledged bank deposits	20	2,420,870	2,414,396
Short-term bank deposit	20	–	15,066
Bank balances and cash	20	674,036	410,329
		<b>3,506,559</b>	<b>3,238,007</b>
<b>Current liabilities</b>			
Trade and other payables	21	211,587	189,682
Amounts due to fellow subsidiaries	22	5,283	4,715
Amounts due to non-controlling interests of a subsidiary	23	150,000	186,000
Taxation payable		431,189	372,889
Bank and other borrowings – due within one year	24	38,271	906,887
		<b>836,330</b>	<b>1,660,173</b>
Net current assets		<b>2,670,229</b>	<b>1,577,834</b>
Total assets less current liabilities		<b>5,537,615</b>	<b>4,496,177</b>
<b>Non-current liabilities</b>			
Bank and other borrowings – due after one year	24	507,600	–
Deferred taxation	26	115,684	113,821
		<b>623,284</b>	<b>113,821</b>
		<b>4,914,331</b>	<b>4,382,356</b>



# Consolidated Statement of Financial Position

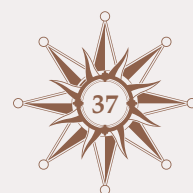
At 31 March 2015

	Notes	2015 HK\$'000	2014 HK\$'000
Capital and reserves			
Share capital	27	130	130
Reserves		3,301,311	2,959,852
Equity attributable to owners of the Company		3,301,441	2,959,982
Non-controlling interests	30	1,612,890	1,422,374
		4,914,331	4,382,356

The consolidated financial statements on pages 35 to 82 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

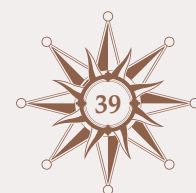
	Attributable to owners of the Company								Non-controlling interests HK\$'000	Total equity HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Capital redemption reserve HK\$'000	Property revaluation reserve HK\$'000	Share options reserve HK\$'000	Legal reserve HK\$'000 (note 29)	Accumulated profits HK\$'000	Total HK\$'000		
At 1 April 2013	129	410,802	668	8,478	3,964	287	2,084,819	2,509,147	1,114,077	3,623,224
Profit and total comprehensive income for the year	-	-	-	-	-	-	600,006	600,006	308,297	908,303
Issue of shares	1	25,963	-	-	(3,964)	-	-	22,000	-	22,000
2013 final dividend paid in cash	-	-	-	-	-	-	(93,063)	(93,063)	-	(93,063)
2014 interim dividend paid in cash	-	-	-	-	-	-	(78,108)	(78,108)	-	(78,108)
At 31 March 2014	130	436,765	668	8,478	-	287	2,513,654	2,959,982	1,422,374	4,382,356
Profit and total comprehensive income for the year	-	-	-	-	-	-	504,277	504,277	190,516	694,793
2014 final dividend paid in cash	-	-	-	-	-	-	(97,691)	(97,691)	-	(97,691)
2015 interim dividend paid in cash	-	-	-	-	-	-	(65,127)	(65,127)	-	(65,127)
At 31 March 2015	130	436,765	668	8,478	-	287	2,855,113	3,301,441	1,612,890	4,914,331



# Consolidated Statement of Cash Flows

For the year ended 31 March 2015

	2015 HK\$'000	2014 HK\$'000
Cash flows from operating activities		
Profit before taxation	758,557	1,002,468
Adjustments for:		
Interest income	(77,073)	(61,950)
Interest expenses	17,259	2,568
Depreciation of property, plant and equipment	145,693	127,097
Release of prepaid lease payments	16,580	6,746
(Reversal of) allowance for doubtful debts, net	(2,612)	4,306
Fair value changes of investment properties	(11,800)	(47,000)
Loss on disposal of property, plant and equipment	2,986	2,197
Operating cash flows before movements in working capital	849,590	1,036,432
Increase in inventories	(441)	(111)
Increase in trade and other receivables	(6,392)	(8,903)
Increase (decrease) in trade and other payables	22,765	(658)
Increase in amounts due to fellow subsidiaries	568	946
Cash generated from operations	866,090	1,027,706
Income tax paid	(3,601)	–
Net cash from operating activities	862,489	1,027,706
Cash flows from investing activities		
Placement of pledged bank deposits	(1,236,394)	(2,415,274)
Acquisition of property, plant and equipment	(102,745)	(373,225)
Deposits paid for acquisition of property, plant and equipment	(3,564)	(4,402)
Placement of short-term bank deposits	(505)	(318,823)
Withdrawal of pledged bank deposits	1,229,920	1,178
Interest received	73,081	30,500
Withdrawal of short-term bank deposits	15,571	326,001
Proceeds on disposal of property, plant and equipment	357	–
Acquisition of prepaid lease payments	–	(362,300)
Acquisition of investment properties	–	(223,200)
Net cash used in investing activities	(24,279)	(3,339,545)

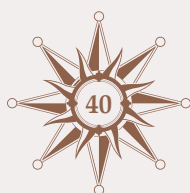




# Consolidated Statement of Cash Flows

For the year ended 31 March 2015

	2015 HK\$'000	2014 HK\$'000
Cash flows from financing activities		
Repayment of bank and other borrowings	<b>(499,000)</b>	(35,000)
Repayment of bank overdraft	<b>(402,016)</b>	–
Dividends paid	<b>(162,818)</b>	(171,171)
Repayments to non-controlling interests of a subsidiary	<b>(36,000)</b>	(40,000)
Interest paid	<b>(14,669)</b>	(1,800)
Bank and other borrowings raised	<b>540,000</b>	534,000
Drawn down of bank overdraft	–	407,887
Proceeds from issue of shares	–	22,000
<b>Net cash (used in) from financing activities</b>	<b>(574,503)</b>	715,916
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>263,707</b>	(1,595,923)
<b>Cash and cash equivalents at the beginning of the year</b>	<b>410,329</b>	2,006,252
<b>Cash and cash equivalents at the end of the year, representing bank balances and cash</b>	<b>674,036</b>	410,329



# Notes to the Consolidated Financial Statements

For the year ended 31 March 2015

## 1. General

The Company is 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 address of the registered office and principal place of business of the Company are disclosed in the “Corporate Information and Key Dates” section of the annual report. The Company’s immediate holding company is Emperor Entertainment Hotel Holdings Limited, a company incorporated in Hong Kong with limited liability. The intermediate holding company of the Company is Emperor International Holdings Limited (“**Emperor International**”), a company incorporated in Bermuda with limited liability, the shares of which are also listed on the Stock Exchange. The ultimate holding company of the Company is Albert Yeung Holdings Limited, a company incorporated in the British Virgin Islands with limited liability which is in turn held by STC International Limited, 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 consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”) which is the functional currency of the Company.

The Company is an investment holding company. The principal activities of its principal subsidiaries are set out in note 35.

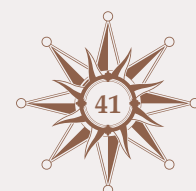
## 2. Application of New and Revised Hong Kong Financial Reporting Standards (“**HKFRSs**”)

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 above 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.



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

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

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2017, with early application permitted.

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

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

<sup>5</sup> 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

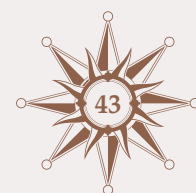
## 2. Application of New and Revised Hong Kong Financial Reporting Standards (“HKFRSs”) (continued)

### 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 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.
- 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 of the Company 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 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

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. Prescriptive guidance has been added in HKFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by HKFRS 15.

The directors of the Company 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 effect of HKFRS 15 until the Group performs a detailed review.

Other than disclosed above, the directors of the Company 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 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 which are measured at fair values as explained in the accounting policies set out below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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.



# Notes to the Consolidated Financial Statements

For the year ended 31 March 2015

## 3. Significant Accounting Policies (continued)

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

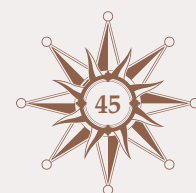
Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

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.

### 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.



# Notes to the Consolidated Financial Statements

For the year ended 31 March 2015

## 3. Significant Accounting Policies (continued)

### Business combinations (continued)

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.

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.

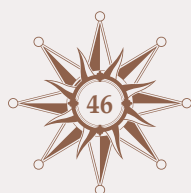
### Goodwill

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.



# Notes to the Consolidated Financial Statements

For the year ended 31 March 2015

## 3. Significant Accounting Policies (continued)

### Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation.

Investment properties are measured initially 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 lease to earn rentals or for capital appreciation purposes are accounted for as investment properties and measured using the fair value model. Gains or losses arising from changes in the fair value of investment properties are included 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 profit or loss in the period in which the property is derecognised.

### Property, plant and equipment

Property, plant and equipment including 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, less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Depreciation is recognised so as to write off the cost 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.

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.

### 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.

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

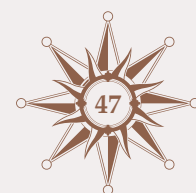
### Impairment losses on tangible assets

At the end of each reporting period, the Group reviews the carrying amounts of its tangible 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 or a cash-generating unit is estimated in order to determine the extent of the impairment loss, if any.

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 the 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 the 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.





# Notes to the Consolidated Financial Statements

For the year ended 31 March 2015

## 3. Significant Accounting Policies (continued)

### 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. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

#### *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.

### 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. 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

Inventories represent food and beverage, consumable and other goods of hotel and are stated at the lower of cost and net realisable value. Costs of inventories are 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.

### 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 are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.



# 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 represent loans and receivables.

#### 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.

#### 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 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.

#### 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:

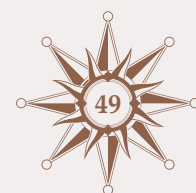
- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For certain categories of financial assets, such as trade 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 and observable changes in national or local economic conditions that correlate with default on the receivables.

For financial assets that are 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 asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable 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.

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 financial asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.



# 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

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 instrument

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 Company are recognised at the proceeds received, net of direct issue costs.

#### 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

Financial liabilities (including trade and other payables, amounts due to fellow subsidiaries, amounts due to non-controlling interests of a subsidiary and bank and other borrowings) are subsequently measured at amortised cost, using the effective interest method.

#### 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 financial liabilities 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 received for goods sold and services provided in the normal 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.



# Notes to the Consolidated Financial Statements

For the year ended 31 March 2015

## 3. Significant Accounting Policies (continued)

### Revenue recognition (continued)

Revenue arising from services provided to a gaming operator in Macau under service arrangements for gaming operations in mass market hall, 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 are 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.

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.

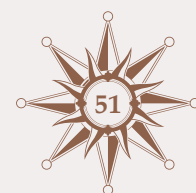
The tax currently payable is based on taxable profit for the year. Taxable profit differs from "profit before taxation" as reported in the consolidated statement of profit or loss and other comprehensive income because of items of income or expense that are taxable or deductible in other years and items 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 bases 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 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 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 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 realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.



# Notes to the Consolidated Financial Statements

For the year ended 31 March 2015

## 3. Significant Accounting Policies (continued)

### Taxation (continued)

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.

For the purposes of measuring deferred tax for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose 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 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 is 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 is 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 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.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operation are translated into the presentation currency of the Group (i.e. HK\$) using exchange rates 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 the translation reserve and will be reclassified from equity to profit or loss on disposal of the foreign operation.

### 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 options reserve).

When the share options are exercised, the amount previously recognised in share options 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 options reserve will be transferred to accumulated profits.

### Retirement benefit costs

Payments to defined contribution retirement benefit schemes are recognised as an expense when employees have rendered service entitling them to the contributions.



# Notes to the Consolidated Financial Statements

For the year ended 31 March 2015

## 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 of the Company are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

### **Critical judgment applying accounting policies**

The following is the critical judgment, apart from those involving estimations (see below), that the directors of the Company 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*

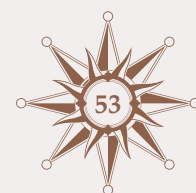
For the purposes of measuring deferred tax liabilities or deferred tax assets arising from investment properties that are measured using the fair value model, the directors of the Company have reviewed the Group's investment property portfolios and concluded that the Group's investment properties situated in Macau with carrying amount of HK\$732,000,000 as at 31 March 2015 (2014: HK\$720,200,000) are held within 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 of the Company have determined that the presumption that the carrying amounts of such investment properties are recovered through sale is rebutted. As a result, the Group has recognised deferred tax liabilities of HK\$89,908,000 (2014: HK\$89,600,000) on changes in fair value of investment properties subject to Macau Complementary Income Tax, on the assumption that these investment properties will be recovered through use as at 31 March 2015.

#### **Key sources of estimation uncertainty**

The following 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 fair value of investment properties of HK\$732,000,000 as at 31 March 2015 (2014: HK\$720,200,000) was based on a valuation on these properties conducted by an independent firm of professional valuers using property valuation techniques which involve certain assumptions of market conditions, including comparable market transactions with adjustments to reflect different locations or conditions and comparable market rents and transactions and discount rates. Changes to the assumptions 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 profit or loss.



# 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)

#### *Estimated provision for impairment of trade receivables*

The Group makes allowance for 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 doubtful debts is required, the Group takes into consideration the ageing status and the likelihood of collection. Following the identification of doubtful debts, the credit team discuss with the relevant customers and assess 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 trade receivables and allowance for doubtful debts in the period in which such estimate has been changed.

The carrying amount of trade receivables as at 31 March 2015 is HK\$191,612,000 (net of allowance for doubtful debts of HK\$42,186,000) (2014: HK\$230,896,000 (net of allowance for doubtful debts of HK\$44,798,000)) (see note 19 for details).

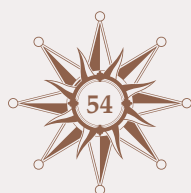
#### *Estimates of repayment of amounts due to non-controlling interests of a subsidiary*

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 23 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 paying 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. The carrying amount of the amounts due to non-controlling interests of a subsidiary and the deemed contribution by the non-controlling interests may be adjusted to reflect the revised estimated cash flows when the Group revises its estimates of the timing and amount of repayment to the non-controlling interests based on the cash flow forecasts and availability of surplus fund of Luck United and its subsidiaries, 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.

#### *Fair value measurements and valuation processes*

Some of the Group's assets and liabilities are measured at fair value for financial reporting purposes. The board of directors of the Company has 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 qualified external valuers to perform the valuation of the Group's investment properties. At the end of each reporting period, the designated team 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 board of directors of the Company. Information about the valuation techniques and inputs used in determining the fair value of the Group's investment properties are disclosed in note 15.



# Notes to the Consolidated Financial Statements

For the year ended 31 March 2015

## 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 stakeholders 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 amounts due to non-controlling interests of a subsidiary and bank and other borrowings as disclosed in notes 23 and 24 respectively, net of cash and cash equivalents, and equity attributable to owners of the Company, comprising issued share capital, accumulated profits and other reserves.

The directors of the Company 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.

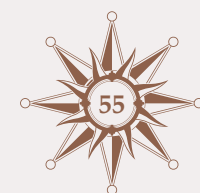
## 6. Financial Instruments

### (a) Categories of financial instruments

	2015 HK\$'000	2014 HK\$'000
<b>Financial assets</b>		
Loans and receivables		
Trade and other receivables	367,245	357,575
Pledged bank deposits	2,420,870	2,414,396
Short-term bank deposit	–	15,066
Bank balances and cash	674,036	410,329
	<b>3,462,151</b>	<b>3,197,366</b>
<b>Financial liabilities</b>		
At amortised cost		
Trade and other payables	116,275	109,164
Amounts due to fellow subsidiaries	5,283	4,715
Amounts due to non-controlling interests of a subsidiary	150,000	186,000
Bank and other borrowings	545,871	906,887
	<b>817,429</b>	<b>1,206,766</b>

### (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.





# 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*

##### *Foreign currency risk*

Foreign currency risk refers to the risk that movement in foreign currency exchange rate will affect the Group's financial results and its cash flows. Several subsidiaries of the Company have foreign currency sales and purchase, 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 as MOP is pegged to HK\$.

The Group has certain pledged bank deposits, short-term bank deposit and bank balances which are denominated in Renminbi ("RMB") (being currency other than the functional currency of the relevant group entities) amounting to HK\$2,506,197,000 (2014: HK\$2,449,293,000). In addition, certain financial assets of the Group are denominated in RMB amounting to HK\$37,551,000 (2014: HK\$33,747,000). The Group currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arises.

The following details the Group's sensitivity to a reasonably possible change of 1.0% in exchange rate of RMB against HK\$, while all other variables are held constant. 1.0% is the sensitivity rate used when reporting foreign currency risk internally to the key management personnel and represents the management's assessment of the reasonably possible change in foreign currency rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the end of the reporting period for a 1.0% change in foreign currency rate. For a 1.0% strengthening in RMB against HK\$, the Group's profit for the year would 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 were held constant, the potential effect on the results would be equal and opposite.

In the opinion of the directors of the Company, the sensitivity analysis is unrepresentative of inherent foreign exchange risk as the year end exposure does not reflect the exposure during the year.

##### *Interest rate risk*

The Group is exposed to fair value interest rate risk in relation to fixed-rate pledged bank deposits, short-term bank deposit and bank deposits included in bank balances, and fixed-rate other borrowings. The Group is also exposed to cash flow interest rate risk in relation to its variable-rate bank balances and bank borrowings. The Group currently does not have policy on cash flow hedges of interest rate risk. However, the management monitors interest rate exposure and will consider hedging significant interest rate risk should the need arises.

The Group's sensitivity to cash flow interest rate risk has been determined based on the exposure to interest rate for those variable-rate bank balances and bank borrowings at the end of the reporting period and management's assessment of the reasonably possible change in the interest rate assuming that it took place at the beginning of each year and was 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)

If interest rate for the variable-rate bank balances had been 10 basis points (2014: 10 basis points) higher and interest rate for the variable-rate bank borrowings had been 50 basis points (2014: 10 basis points) higher and all other variables were held constant, the potential effect on profit for the year is as follows:

	2015 HK\$'000	2014 HK\$'000
Increase (decrease) in profit for the year		
– Variable-rate bank balances	125	124
– Variable-rate bank borrowings	(2,729)	(592)
	(2,604)	(468)

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

#### Credit risk

The Group's maximum exposure to credit risk in the event of the counterparties' failure to perform their obligations as at 31 March 2015 in relation to each class of recognised financial asset is the carrying amount of those assets as stated in the consolidated statement of financial position. In order to manage the credit risk, the management 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 at the end of the reporting period based on the management's knowledge of customers and their creditability and repayment record to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

The credit risk on liquid funds 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 81.19% (2014: 86.08%) and 92.87% (2014: 95.04%) of the total trade receivables which were due from the Group's largest customer and the five largest customers respectively within the business segments of gaming operation. The remaining trade receivables balances are spread over a number of customers.

#### 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, if any.

As 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 cash flow requirements. Accordingly, the management considers that the Group's liquidity risk is minimal.



# 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)

As at 31 March 2015, the Group has available unutilised banking facilities of HK\$2,436,982,000 (2014: HK\$1,817,027,000).

The following table details the Group's remaining contractual maturity for its financial liabilities that will result in cash outflow. 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. The table includes principal cash flows.

#### Liquidity and interest risk tables

	Weighted average effective interest rate	Less than 1 month or repayable on demand HK\$'000	1 – 3 months HK\$'000	3 months to 1 year HK\$'000	1 – 5 years HK\$'000	Over 5 years HK\$'000	Total undiscounted cash flows HK\$'000	Total carrying amount HK\$'000
<b>2015</b>								
Trade and other payables	-	116,275	-	-	-	-	116,275	116,275
Amounts due to fellow subsidiaries	-	5,283	-	-	-	-	5,283	5,283
Amounts due to non-controlling interests of a subsidiary	-	150,000	-	-	-	-	150,000	150,000
Variable-rate bank loan	2.74%	11,741	-	35,096	230,493	335,201	612,531	540,000
Variable-rate bank overdraft	1.54%	5,871	-	-	-	-	5,871	5,871
		289,170	-	35,096	230,493	335,201	889,960	817,429
<b>2014</b>								
Trade and other payables	-	109,164	-	-	-	-	109,164	109,164
Amounts due to fellow subsidiaries	-	4,715	-	-	-	-	4,715	4,715
Amounts due to non-controlling interests of a subsidiary	-	186,000	-	-	-	-	186,000	186,000
Variable-rate bank loans	2.31%	-	184,558	-	-	-	184,558	184,000
Variable-rate bank overdraft	1.51%	408,400	-	-	-	-	408,400	407,887
Fixed-rate other borrowing	5.00%	-	-	322,292	-	-	322,292	315,000
		708,279	184,558	322,292	-	-	1,215,129	1,206,766

### (c) Fair value

The fair values of financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

The directors of the Company consider that the carrying amounts of all financial assets and financial liabilities recorded at amortised cost at the end of each reporting period approximate their corresponding fair values.



# 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
Service income from gaming operation in mass market hall	1,194,107	1,569,317
Service income from gaming operation in VIP room	504,672	451,512
Service income from gaming operation in slot machine hall	32,291	29,277
Hotel room income	128,795	54,801
Food and beverage sales	129,723	122,350
Rental income from investment properties	29,947	24,515
Others	15,252	13,704
	2,034,787	2,265,476

## 8. Segment Information

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

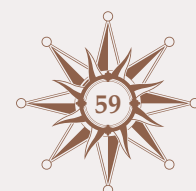
For gaming operation, the Executive Directors regularly analyse gaming revenue in terms of service income from mass market hall, VIP room and slot machine hall. No operating results or discrete financial information is presented to the Executive Directors in relation to the above analyses. The Executive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

The segment information reported externally 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 Best Western Hotel Taipa (to be renamed as Inn Hotel Macau) in Macau including property investment income from investment properties in these hotels

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

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



# Notes to the Consolidated Financial Statements

For the year ended 31 March 2015

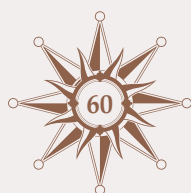
## 8. Segment Information (continued)

Information regarding the above segments is reported below:

### Segment revenues and results

For the year ended 31 March 2015

	Gaming operation HK\$'000	Hotel operation HK\$'000	Total HK\$'000	Elimination HK\$'000	Consolidated HK\$'000
<b>SEGMENT REVENUE</b>					
External revenue	1,731,070	303,717	2,034,787	-	2,034,787
Inter-segment revenue	-	2,821	2,821	(2,821)	-
<b>Total</b>	<b>1,731,070</b>	<b>306,538</b>	<b>2,037,608</b>	<b>(2,821)</b>	<b>2,034,787</b>
Segment result based on the Adjusted EBITDA	788,071	172,607	960,678		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					(86,672)
<b>Profit before taxation</b>					<b>758,557</b>



# Notes to the Consolidated Financial Statements

For the year ended 31 March 2015

## 8. Segment Information (continued)

### Segment revenues and results (continued)

For the year ended 31 March 2014

	Gaming operation HK\$'000	Hotel operation HK\$'000	Total HK\$'000	Elimination HK\$'000	Consolidated HK\$'000
<b>SEGMENT REVENUE</b>					
External revenue	2,050,106	215,370	2,265,476	-	2,265,476
Inter-segment revenue	-	2,821	2,821	(2,821)	-
Total	2,050,106	218,191	2,268,297	(2,821)	2,265,476
Segment result based on the Adjusted EBITDA	1,025,072	111,556	1,136,628		1,136,628
Bank interest income					61,950
Depreciation of property, plant and equipment					(127,097)
Exchange loss at corporate level					(30,674)
Release of prepaid lease payments					(6,746)
Fair value changes of investment properties					47,000
Finance costs					(2,798)
Unallocated corporate expenses					(75,795)
Profit before taxation					1,002,468

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 2015 and 31 March 2014.

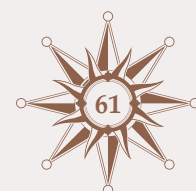
### Geographical information

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 (2014: one) customer which contributed over 10% of the Group's revenue amounted to HK\$1,735,421,000 (2014: HK\$2,052,264,000). The revenue related to the gaming operation and the hotel operation.



# Notes to the Consolidated Financial Statements

For the year ended 31 March 2015

## 9. Finance Costs

	2015 HK\$'000	2014 HK\$'000
Interest on:		
– bank borrowings not wholly repayable within five years	10,776	–
– bank borrowings wholly repayable within one year	2,254	1,940
– other borrowing wholly repayable within one year	4,229	628
	17,259	2,568
Bank loan arrangement fee	1,920	230
	19,179	2,798

## 10. Profit Before Taxation

	2015 HK\$'000	2014 HK\$'000
Profit before taxation has been arrived at after charging:		
Allowance for doubtful debts, net	–	4,306
Auditor's remuneration	3,200	3,244
Commission expenses in gaming operations (included in selling and marketing expenses)	412,297	523,618
Cost of inventories recognised as an expense	44,479	43,141
Depreciation of property, plant and equipment	145,693	127,097
Exchange loss	22,870	30,674
Loss on disposal of property, plant and equipment	2,986	2,197
Release of prepaid lease payments	16,580	6,746
Staff costs, including directors' remuneration and retirement benefit scheme contributions (net of forfeited contributions of HK\$90,000 (2014: nil))	453,315	410,311
and after crediting:		
Bank interest income	77,073	61,950
Reversal of allowance for doubtful debts, net	2,612	–



# Notes to the Consolidated Financial Statements

For the year ended 31 March 2015

## 11. Directors', Chief Executives' and Employees' Emoluments

### (a) Directors' and Chief Executives' emoluments

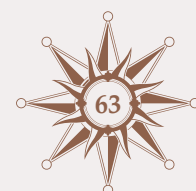
	Ms. Luk Siu Man, Semon HK\$'000	Mr. Wong Chi Fai HK\$'000	Ms. Fan Man Seung, Vanessa HK\$'000	Ms. Chan Sim Ling, Irene HK\$'000 (note 1)	Mr. Yu King Tin HK\$'000 (note 1)	Ms. Chan Wiling, Yvonne HK\$'000	Ms. Wan Choi Ha HK\$'000	Total HK\$'000
<b>2015</b>								
Fees	-	150	150	-	180	180	180	840
Other emoluments								
Salaries and other benefits	-	-	-	-	-	-	-	-
Performance related incentive payment (note 2)	-	-	-	-	-	-	-	-
	-	150	150	-	180	180	180	840
<b>2014</b>								
Fees	-	150	150	64	117	180	180	841
Other emoluments								
Salaries and other benefits	-	-	-	-	-	-	-	-
Performance related incentive payment (note 2)	-	-	-	-	-	-	-	-
	-	150	150	64	117	180	180	841

Notes:

- (1) Mr. Yu King Tin was appointed as independent non-executive director of the Company on 8 August 2013 and Ms. Chan Sim Ling, Irene retired as independent non-executive director of the Company on 8 August 2013.
- (2) The performance related incentive payment is determined with reference to the operating results and individual performance.

The Chief Executives of the Company are also the Executive Directors and the emoluments disclosed above include those services rendered by them as Chief Executives.

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.





# Notes to the Consolidated Financial Statements

For the year ended 31 March 2015

## 11. Directors', Chief Executives' and Employees' Emoluments (continued)

### (b) Employees' emoluments

The five highest paid individuals did not include any director of the Company for both years. The total emoluments of the five highest paid individuals for both years were as follows:

	2015 HK\$'000	2014 HK\$'000
Salaries and other benefits	10,300	9,609
Bonuses	9,641	12,993
Retirement benefit scheme contributions	1,316	–
	21,257	22,602

	Number of individuals	
	2015	2014
Emoluments of the employees were within the following bands:		
HK\$2,000,001 – HK\$2,500,000	1	1
HK\$3,000,001 – HK\$3,500,000	1	2
HK\$3,500,001 – HK\$4,000,000	1	–
HK\$5,000,001 – HK\$5,500,000	1	1
HK\$6,500,001 – HK\$7,000,000	1	–
HK\$8,500,001 – HK\$9,000,000	–	1

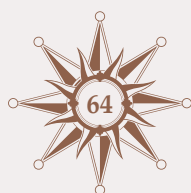
### (c) Retirement benefit scheme

The Group operates a Mandatory Provident Fund Scheme for all qualifying employees in Hong Kong. The assets of the plans are held separately from those of the Group in funds under the control of the independent trustees. The Group and each employee make mandatory contributions of 5% of relevant payroll costs with monthly cap of HK\$1,500 with effect from 1 June 2014 (before 1 June 2014: HK\$1,250) to the scheme.

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.

The employees of the Group's subsidiaries in Macau are members of state-managed retirement benefit schemes operated by the Macau 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 schemes.

During the year, the retirement benefit scheme contributions were HK\$11,320,000 (2014: HK\$1,716,000).



# Notes to the Consolidated Financial Statements

For the year ended 31 March 2015

## 12. Taxation

	2015 HK\$'000	2014 HK\$'000
Current tax:		
Macau Complementary Income Tax	83,747	110,750
Reversal of tax provision in prior years:		
Macau Complementary Income Tax	(21,846)	(22,339)
	<b>61,901</b>	<b>88,411</b>
Deferred taxation:		
Current year (note 26)	1,863	5,754
	<b>63,764</b>	<b>94,165</b>

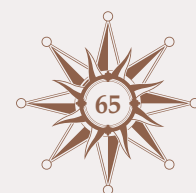
The Macau Complementary Income Tax ("CT") is calculated at the applicable rate of 12% of the estimated assessable profits for both years.

Pursuant to the CT law, the CT assessment on the estimated assessable profit in a year of assessment will lapse in 5 consecutive years after that year of assessment. At the end of the reporting period, the directors of the Company 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.

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

The taxation 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	758,557	1,002,468
Tax charge at the Macau Complementary Income Tax rate of 12%	91,027	120,296
Tax effect of expenses not deductible for tax purpose	12,887	9,832
Tax effect of income not taxable for tax purpose	(18,287)	(14,252)
Tax effect of tax losses not recognised	–	735
Effect of reversal of tax provision in prior years	(21,846)	(22,339)
Utilisation of tax losses previously not recognised	(12)	(80)
Others	(5)	(27)
Taxation for the year	<b>63,764</b>	<b>94,165</b>



# Notes to the Consolidated Financial Statements

For the year ended 31 March 2015

## 13. Dividends

	2015 HK\$'000	2014 HK\$'000
Dividends recognised as distribution during the year:		
Final paid in respect of 2014: HK\$0.075 per share (2014: HK\$0.072 per share in respect of 2013)	97,691	93,063
Interim paid in respect of 2015: HK\$0.05 per share (2014: HK\$0.06 per share in respect of 2014)	65,127	78,108
	<b>162,818</b>	171,171

The board of directors proposed the payment of a final dividend of HK\$0.06 per share (2014: HK\$0.075 per share) amounting to approximately HK\$78,153,000 in total for the year ended 31 March 2015 which is subject to approval by the shareholders of the Company in the forthcoming annual general meeting.

## 14. Earnings Per Share

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

	2015 HK\$'000	2014 HK\$'000
<b>Earnings</b>		
Earnings (profit for the year attributable to owners of the Company) for the purpose of basic and diluted earnings per share	504,277	600,006
<b>Number of shares</b>		
Weighted average number of ordinary shares in issue for the purpose of basic earnings per share	1,302,545,983	1,297,200,777
Effect of dilutive potential ordinary shares:		
Share options	N/A	1,099,428
Weighted average number of ordinary shares for the purpose of diluted earnings per share	N/A	1,298,300,205

Diluted earnings per share is not presented in the current year as the Company does not have any dilutive potential ordinary share for the year.



# Notes to the Consolidated Financial Statements

For the year ended 31 March 2015

## 15. Investment Properties

	Completed investment properties HK\$'000
FAIR VALUE	
At 1 April 2013	450,000
Additions	223,200
Increase in fair value	47,000
At 31 March 2014	<b>720,200</b>
Increase in fair value	<b>11,800</b>
At 31 March 2015	<b>732,000</b>

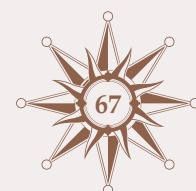
The completed investment properties are situated in Macau and held under medium-term leases.

The fair values of the Group's investment properties as at 31 March 2015 and 31 March 2014 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.

As at 31 March 2015 and 31 March 2014, all investment properties were held for rental under operating leases. The investment properties are depreciable and are held within a business model of the Group whose business objective is to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale. In estimating the fair value of the properties, the highest and best use of the properties is their current use. There has been no change to the valuation technique during the year. The valuation was 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.

The following table gives information about how the fair values of these investment properties are determined (in particular, the valuation technique and 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 are observable.

Investment properties held by the Group in the consolidated statement of financial position	Fair value HK\$'000	Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable inputs	Sensitivity/relationship of unobservable inputs to fair value
Commercial properties in Macau	732,000 (2014: 720,200)	Level 3	Direct comparison method with market unit rate as the key input	Market unit rate, mainly taking into account the location, frontage and size, between the comparables, which ranged from HK\$7,700 to HK\$46,000 (2014: HK\$7,500 to HK\$49,000) per square foot	The higher the market unit rate used, the higher the fair value of the investment properties, and vice versa

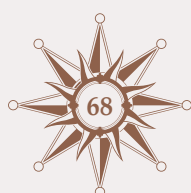


# Notes to the Consolidated Financial Statements

For the year ended 31 March 2015

## 16. Property, Plant and Equipment

	Hotel properties HK\$'000	Buildings HK\$'000	Leasehold improvements HK\$'000	Furniture, fixtures and equipment HK\$'000	Plant and machinery HK\$'000	Motor vehicles HK\$'000	Others HK\$'000	Total HK\$'000
<b>COST</b>								
At 1 April 2013	946,362	90,767	239,345	333,782	219,947	10,156	12,289	1,852,648
Additions	314,500	-	13,107	32,087	24,413	497	5	384,609
Disposals	-	-	(17,713)	(160,688)	(15,475)	-	(10,063)	(203,939)
At 31 March 2014	<b>1,260,862</b>	<b>90,767</b>	<b>234,739</b>	<b>205,181</b>	<b>228,885</b>	<b>10,653</b>	<b>2,231</b>	<b>2,033,318</b>
Additions	-	-	66,008	11,832	24,450	691	716	103,697
Disposals	-	-	(82)	(14,215)	(1,867)	(2,020)	-	(18,184)
At 31 March 2015	<b>1,260,862</b>	<b>90,767</b>	<b>300,665</b>	<b>202,798</b>	<b>251,468</b>	<b>9,324</b>	<b>2,947</b>	<b>2,118,831</b>
<b>DEPRECIATION</b>								
At 1 April 2013	137,602	10,214	96,044	228,565	106,765	7,064	10,489	596,743
Provided for the year	24,953	2,269	42,755	28,739	26,656	1,279	446	127,097
Eliminated on disposals	-	-	(17,475)	(158,909)	(15,295)	-	(10,063)	(201,742)
At 31 March 2014	<b>162,555</b>	<b>12,483</b>	<b>121,324</b>	<b>98,395</b>	<b>118,126</b>	<b>8,343</b>	<b>872</b>	<b>522,098</b>
Provided for the year	33,493	2,269	47,065	31,579	29,704	1,054	529	145,693
Eliminated on disposals	-	-	(82)	(11,315)	(1,424)	(2,020)	-	(14,841)
At 31 March 2015	<b>196,048</b>	<b>14,752</b>	<b>168,307</b>	<b>118,659</b>	<b>146,406</b>	<b>7,377</b>	<b>1,401</b>	<b>652,950</b>
<b>CARRYING AMOUNTS</b>								
At 31 March 2015	<b>1,064,814</b>	<b>76,015</b>	<b>132,358</b>	<b>84,139</b>	<b>105,062</b>	<b>1,947</b>	<b>1,546</b>	<b>1,465,881</b>
At 31 March 2014	1,098,307	78,284	113,415	106,786	110,759	2,310	1,359	1,511,220



# Notes to the Consolidated Financial Statements

For the year ended 31 March 2015

## 16. Property, Plant and Equipment (continued)

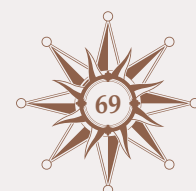
The above items of property, plant and equipment are depreciated on a straight-line basis at the following rates per annum:

Hotel properties and buildings	Over the estimated useful lives of 40 years or the unexpired term of the relevant lease, whichever is shorter
Leasehold improvements	10 – 20%
Furniture, fixtures and equipment	10 – 20%
Plant and machinery	10 – 20%
Motor vehicles	20%
Others	20%

The hotel properties are located in Macau held under medium-term lease while buildings are also located in Macau held under long-term lease. As the lease payments for land and building elements cannot be allocated reliably, the entire lease is classified as a finance lease and includes in the carrying amount of the buildings.

## 17. Prepaid Lease Payments

	2015 HK\$'000	2014 HK\$'000
<b>COST</b>		
At 1 April	588,141	232,587
Additions	–	362,300
Release for the year	(16,580)	(6,746)
At 31 March	571,561	588,141
The Group's prepaid lease payments comprise:		
Leasehold land in Macau held under medium-term lease	571,561	588,141
Analysed for reporting purposes as follows:		
Non-current	554,981	571,561
Current	16,580	16,580
	571,561	588,141



# Notes to the Consolidated Financial Statements

For the year ended 31 March 2015

## 18. Goodwill

As at 31 March 2015, the carrying amount of goodwill amounting to HK\$110,960,000 (2014: HK\$110,960,000) had been allocated to the cash-generating unit relating to the Group's gaming operation.

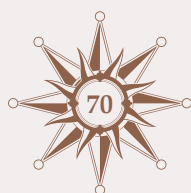
During the year, the Group performed an impairment review for goodwill of the Group's gaming operation based on cash flow forecasts derived from the most recent financial budgets for the next five years and after the fifth year, the projections are extrapolated using a constant growth rate of 3% (2014: 3%) per annum for subsequent years. The recoverable amount of the cash-generating unit of the gaming operation is determined from value in use calculations. The key assumptions for the value in use calculations are those regarding the discount rates, growth rates 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 the Group's gaming operation. The growth rates do 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. As the recoverable amount of the cash-generating unit is larger than the carrying amount of the cash-generating unit, the directors of the Company consider no impairment loss is necessary.

## 19. Trade and Other Receivables

	2015 HK\$'000	2014 HK\$'000
Trade receivables	233,798	275,694
Less: Allowance for doubtful debts	(42,186)	(44,798)
	191,612	230,896
Chips on hand	135,386	87,239
Other receivables and prepayments	54,073	49,940
	381,071	368,075

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

	2015 HK\$'000	2014 HK\$'000
0 – 30 days	170,541	211,191
31 – 60 days	5,881	4,893
61 – 90 days	834	131
91 – 180 days	856	51
Over 180 days	13,500	14,630
	191,612	230,896



# Notes to the Consolidated Financial Statements

For the year ended 31 March 2015

## 19. Trade and Other Receivables (continued)

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

The carrying amount of trade receivables 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\$15,190,000 (2014: HK\$14,812,000) that would otherwise have been past due or impaired had the terms not been renegotiated.

Included in the allowance for doubtful debts are individually impaired trade receivables with an aggregate balance of HK\$42,186,000 (2014: HK\$44,798,000) since the management considered the prolonged outstanding balances from individual customers were in doubt. The Group does not hold any collateral over these balances.

### Movement in the allowance for doubtful debts

	HK\$'000
At 1 April 2013	40,492
Impairment losses recognised	15,790
Amounts recovered during the year	(11,484)
At 31 March 2014	44,798
Impairment loss recognised	1,130
Amounts recovered during the year	(3,742)
At 31 March 2015	42,186

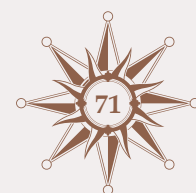
The Group's management closely monitors the credit quality of debtors and considers the debtors that are neither past due nor impaired to be of a good credit quality as continuous partial repayments are received from these debtors.

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

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

## 20. Pledged Bank Deposits/Short-term Bank Deposit/Bank Balances and Cash

Pledged bank deposits include (i) deposits of HK\$2,420,549,000 (2014: HK\$2,414,080,000) pledged to banks to secure for banking facilities granted by the banks 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 1.60% to 3.70% (2014: 2.20% to 3.80%) per annum.





# Notes to the Consolidated Financial Statements

For the year ended 31 March 2015

## 20. Pledged Bank Deposits/Short-term Bank Deposit/Bank Balances and Cash (continued)

As at 31 March 2014, short-term bank deposit with an original maturity over 3 months 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 is the following amount 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

## 21. Trade and Other Payables

	2015 HK\$'000	2014 HK\$'000
Trade payables	18,974	14,752
Construction payables and accruals	18,517	21,967
Other payables and accruals	156,096	137,963
Short-term advance	18,000	15,000
	211,587	189,682

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:

	2015 HK\$'000	2014 HK\$'000
0 – 30 days	8,326	7,129
31 – 60 days	8,459	6,550
61 – 90 days	1,999	504
91 – 180 days	181	569
Over 180 days	9	–
	18,974	14,752



# Notes to the Consolidated Financial Statements

For the year ended 31 March 2015

## 22. Amounts Due to Fellow Subsidiaries

The amounts are due to subsidiaries of Emperor International, an intermediate holding company of the Company, which are unsecured, interest-free and repayable on demand.

## 23. Amounts Due to Non-Controlling Interests of a Subsidiary

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 and its subsidiaries, after paying 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.

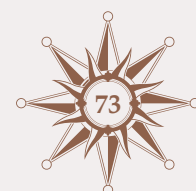
As at 31 March 2015 and 31 March 2014, the management of Luck United determined that Luck United had adequate available surplus fund for the repayment of all principal amounts outstanding to its shareholders. Therefore, the directors of the Company consider that the amounts due to non-controlling interests of HK\$150,000,000 (2014: HK\$186,000,000) are repayable at the discretion of non-controlling interests as at 31 March 2015 and 31 March 2014.

## 24. Bank and Other Borrowings

	2015 HK\$'000	2014 HK\$'000
Bank borrowings:		
Bank loans	540,000	184,000
Bank overdraft	5,871	407,887
	545,871	591,887
Other borrowing	–	315,000
	545,871	906,887
The bank and other borrowings are repayable as follows:		
Within one year	38,271	906,887
Between one to two years	37,800	–
Between two to five years	145,800	–
Over five years	324,000	–
	545,871	906,887
Less: Amount due within one year shown under current liabilities	(38,271)	(906,887)
Amount due after one year shown under non-current liabilities	507,600	–

The bank borrowings carry interest rates which range from HIBOR +1.3% to HIBOR + 2.35% (2014: HIBOR + 1.3% to HIBOR + 2%) per annum and are secured by certain assets of the Group (see note 25(a) for details).

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



# Notes to the Consolidated Financial Statements

For the year ended 31 March 2015

## 25. Pledge of Assets

- (a) As at 31 March 2015, certain assets of the Group were pledged to banks to secure for banking facilities granted by the banks to the Group. In addition, the Group had available unutilised banking facilities of HK\$2,436,982,000 (2014: HK\$1,817,027,000). The carrying values of these assets at the end of the reporting period are as follows:

	2015 HK\$'000	2014 HK\$'000
Bank deposits	2,420,549	2,414,080
Hotel properties	1,064,814	784,065
Investment properties	732,000	497,000
Prepaid lease payments	571,561	226,141
Others (note)	74,078	–
	<b>4,863,002</b>	<b>3,921,286</b>

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.

## 26. Deferred Taxation

The following are the major deferred tax assets (liabilities) recognised and movements thereon during the year:

	Accelerated tax depreciation HK\$'000 (note)	Revaluation of properties HK\$'000	Tax losses HK\$'000	Total HK\$'000
At 1 April 2013	(32,193)	(85,069)	9,195	(108,067)
(Charged) credited to profit or loss	(1,785)	(4,531)	562	(5,754)
At 31 March 2014	<b>(33,978)</b>	<b>(89,600)</b>	<b>9,757</b>	<b>(113,821)</b>
Credited (charged) to profit or loss	<b>1,056</b>	<b>(308)</b>	<b>(2,611)</b>	<b>(1,863)</b>
At 31 March 2015	<b>(32,922)</b>	<b>(89,908)</b>	<b>7,146</b>	<b>(115,684)</b>

Note: The Macau tax authority granted a concessionary deduction to Grand Emperor Entertainment & Hotel (Macau) Limited (“**Grand Emperor Entertainment**”), an indirect non-wholly owned subsidiary of the Company incorporated in Macau, to claim deduction of depreciation allowance for certain of its property, plant and equipment for tax purpose in an accelerated pattern over a period which is half of the expected useful lives of the property, plant and equipment and such a concession ended on 31 December 2013. Out of the deferred tax liability of HK\$32,922,000 (2014: HK\$33,978,000), an amount of HK\$22,781,000 (2014: HK\$23,353,000) has been recognised in respect of the accelerated tax depreciation of those property, plant and equipment related to the concession.



# Notes to the Consolidated Financial Statements

For the year ended 31 March 2015

## 26. Deferred Taxation (continued)

For the purpose of presentation in the consolidated statement of financial position, deferred tax assets and liabilities have been offset for the temporary differences arising from the same group entity.

As at 31 March 2015, the Group had unused tax losses of HK\$119,997,000 (2014: HK\$147,978,000) available for offset against future profits. Deferred tax asset had been recognised in respect of HK\$59,559,000 (2014: HK\$81,316,000) of such loss. No deferred tax asset has been recognised in respect of the remaining tax losses of HK\$60,438,000 (2014: HK\$66,662,000) due to unpredictability of future profit streams. The Group's unrecognised tax losses might be carried forward indefinitely.

## 27. Share Capital

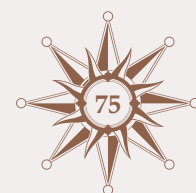
	Number of shares	Share capital HK\$'000
<b>THE COMPANY</b>		
Ordinary shares of HK\$0.0001 each		
Authorised:		
At 1 April 2013, 31 March 2014 and 31 March 2015	2,000,000,000,000	200,000
Issued and fully paid:		
At 1 April 2013	1,292,545,983	129
Exercise of share options (note)	10,000,000	1
At 31 March 2014 and 31 March 2015	1,302,545,983	130

Note: During the year ended 31 March 2014, 10,000,000 share options were exercised at an exercise price of HK\$2.20 per share. The new shares issued during that year rank pari passu with the existing shares in all aspects.

## 28. Share Option Scheme

The Company adopted a share option scheme (the "Old Share Option Scheme") on 2 September 2002, the primary purpose of which was to provide incentives or rewards to participants including the directors and eligible employees of the Group. The Old Share Option Scheme lapsed automatically on 1 September 2012 upon the expiry of the 10-year period. As at 31 March 2015, there was no outstanding options granted under the Old Share Option Scheme.

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 of the Company 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 ("New Share Option Scheme"). No share options were granted under the New Share Option Scheme since its adoption on 15 August 2013 (the "New Adoption Date").



# Notes to the Consolidated Financial Statements

For the year ended 31 March 2015

## 28. Share Option Scheme (continued)

Under the New Share Option Scheme, the directors of the Company are authorised, at any time within ten years after the New Adoption Date, to grant options to any participants 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 prices of the Company's shares for the five trading days immediately preceding the date of grant; and (iii) the nominal value of the Company's share. The total number of shares in respect of which options may be granted under the New Share Option Scheme cannot exceed 10% of the total number of shares in issue on the New 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 New 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. 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 to two directors of the Company at an exercise price of HK\$2.20 under the terms of the Old 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 the Company under the Old Share Option Schemes are as follows:

Date of grant	Exercisable period	Exercise price as at 1 April 2013 HK\$	Number of options outstanding	Exercised during the year	Number of options outstanding as at 31 March 2014, 1 April 2014 and 31 March 2015
11 August 2005	11 August 2005 – 10 August 2015	2.20	10,000,000	(10,000,000)	–

No share options has been granted under the Old Share Option Scheme nor the New Share Option Scheme by the Company during the years ended 31 March 2015 and 31 March 2014.

## 29. Legal Reserve

As stipulated by the relevant laws and regulations in the Macau Special Administrative Region, certain subsidiaries of the Company are required to set aside 25% of their profit for the year to a legal reserve until the legal reserve has reached 50% of their registered capital. No appropriation was made for the years ended 31 March 2015 and 31 March 2014 as the legal reserve of those subsidiaries have already reached 50% of their respective registered capital.

## 30. Non-Controlling Interests

Included in non-controlling interests as at 31 March 2015 was a deemed contribution by non-controlling interests of HK\$112,009,000 (2014: HK\$112,009,000) on certain interest-free loans from the non-controlling interests of a subsidiary which were contributed in accordance with their shareholdings.



# Notes to the Consolidated Financial Statements

For the year ended 31 March 2015

## 31. Commitments

	2015 HK\$'000	2014 HK\$'000
Authorised but not contracted for in respect of property, plant and equipment	36,794	73,977
Contracted for but not provided in the consolidated financial statements, net of deposits paid, in respect of property, plant and equipment	130,862	4,125
	<b>167,656</b>	<b>78,102</b>

## 32. Operating Lease Commitments

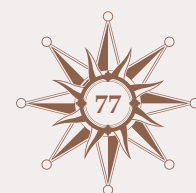
The Group as lessee

	2015 HK\$'000	2014 HK\$'000
Operating lease rentals paid and payable for the year in respect of rented premises	3,374	3,078

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	1,323	3,200
In the second to third year inclusive	215	748
	<b>1,538</b>	<b>3,948</b>

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



# Notes to the Consolidated Financial Statements

For the year ended 31 March 2015

## 32. Operating Lease Commitments (continued)

### The Group as lessor

	2015 HK\$'000	2014 HK\$'000
Operating lease rentals received and receivable for the year in respect of completed investment properties	29,947	24,515

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 completed investment properties in Macau, which fall due as follows:

	2015 HK\$'000	2014 HK\$'000
Within one year	31,668	20,896
In the second to fifth year inclusive	54,364	31,135
	86,032	52,031

Certain premises in the Group's completed investment properties have committed tenants for the tenancy ranging from 1 to 5 years (2014: 1 to 4 years) and the rentals are pre-determined and fixed.

## 33. Related Party Transactions

(a) During the year, the Group had the following significant transactions with related parties:

	2015 HK\$'000	2014 HK\$'000
Advertising expenses to related companies	465	582
Commission to Dr. Albert Yeung in the capacity of a patron of the Group's VIP room	1,842	1,319
Professional fee expense to a related company	420	420
Purchase of property, plant and equipment and merchandising goods from related companies and a fellow subsidiary	554	706
Reimbursement of administrative expenses to fellow subsidiaries	13,572	11,273
Rental income from a related company	6,255	5,896
Secretarial fee expense to a related company	340	320

Note: The above related parties are either controlled by the AY Trust or a director of the Company.

(b) The key management personnel of the Company are the directors of the Company. The details of the remunerations paid to them relating to short-term employee benefits are set out in note 11.



# Notes to the Consolidated Financial Statements

For the year ended 31 March 2015

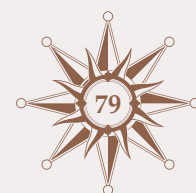
## 34. Financial Information of the Company

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

	2015 HK\$'000	2014 HK\$'000
<b>Total assets</b>		
Investment in a subsidiary	–	–
Other receivables	2,683	9,954
Amount due from a subsidiary	273,404	522,005
Pledged bank deposits	272,827	621,976
Bank balances and cash	58,744	1,494
	<b>607,658</b>	<b>1,155,429</b>
<b>Total liabilities</b>		
Other payables	1,330	1,345
Amount due to a fellow subsidiary	1,394	1,195
Bank borrowings	5,871	591,887
	<b>8,595</b>	<b>594,427</b>
<b>Capital and reserves</b>		
Share capital	130	130
Reserves (note)	598,933	560,872
	<b>599,063</b>	<b>561,002</b>

Note:

	Share premium HK\$'000	Capital redemption reserve HK\$'000	Share options reserve HK\$'000	Accumulated profits HK\$'000	Total HK\$'000
At 1 April 2013	410,802	668	3,964	95,822	511,256
Profit and total comprehensive income for the year	–	–	–	198,788	198,788
Issue of shares	25,963	–	(3,964)	–	21,999
2013 final dividend paid in cash	–	–	–	(93,063)	(93,063)
2014 interim dividend paid in cash	–	–	–	(78,108)	(78,108)
At 31 March 2014	<b>436,765</b>	<b>668</b>	–	<b>123,439</b>	<b>560,872</b>
Profit and total comprehensive income for the year	–	–	–	200,879	200,879
2014 final dividend paid in cash	–	–	–	(97,691)	(97,691)
2015 interim dividend paid in cash	–	–	–	(65,127)	(65,127)
At 31 March 2015	<b>436,765</b>	<b>668</b>	–	<b>161,500</b>	<b>598,933</b>





# Notes to the Consolidated Financial Statements

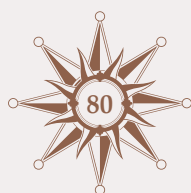
For the year ended 31 March 2015

## 35. Particulars of Subsidiaries

### (a) General Information of subsidiaries

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/ establishment/ operation	Nominal value of issued ordinary share/ registered capital	The Group's attributable equity interest				Principal activities
			Directly		Indirectly		
			2015 %	2014 %	2015 %	2014 %	
Acute Rise Limited	British Virgin Islands/Macau	US\$1	-	-	60	60	Investment holding
Affluent Travel Services Limited	Hong Kong	HK\$500,000	-	-	60	60	Provision of travel agency services
Asian Glory Limited	Macau	MOP25,000	-	-	60	60	Property holding
Emperor Entertainment Hotel Management Limited	Macau	MOP25,000	-	-	60	60	Provision of project financing services
Emperor Entertainment Hotel Investment Limited	British Virgin Islands/Macau	US\$50	-	-	100	100	Investment holding
Grand Emperor Entertainment	Macau	MOP500,000	-	-	60	60	Provision of hotel and catering services
Grand-Invest & Development Company Limited	Macau	MOP100,000	-	-	100	100	Provision of hotel and catering services
Keen Million Limited	British Virgin Islands/Macau	US\$1	-	-	60	60	Mass market and slot machine operations
Luck United	British Virgin Islands/Macau	US\$10,000	-	-	60	60	Investment holding
Oceanic Leader Investments Limited	British Virgin Islands/Macau	US\$1	-	-	100	100	Investment holding
Precision Faith Limited	Macau	MOP100,000	-	-	100	100	VIP room operation and provision of gaming-related marketing and promotion services
Quick Gain Investments Limited	British Virgin Islands/Macau	US\$1	100	100	-	-	Investment holding
Right Achieve Limited	British Virgin Islands/Macau	US\$1	-	-	60	60	Investment holding
Tin Hou Limited	Macau	MOP25,000	-	-	100	100	Provision of agency services for gaming operation



# Notes to the Consolidated Financial Statements

For the year ended 31 March 2015

## 35. Particulars of Subsidiaries (continued)

### (a) General Information of subsidiaries (continued)

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

At the end of the reporting period, the Company has other subsidiaries that are not material to the Group. All of these subsidiaries operate in Macau. The principal activities of these subsidiaries are summarised as follows:

Principal activities	Principal place of business	Number of subsidiaries	
		2015	2014
Investment holding and others	Macau	5	5

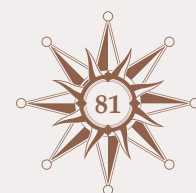
None of the subsidiaries of the Company issued any debt securities as at 31 March 2015 and 31 March 2014.

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

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

Name of subsidiary	Place of incorporation/ 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
Luck United*	British Virgin Islands/ Macau	40	40	190,516	308,297	1,612,890	1,422,374

\* Representing Luck United and its subsidiaries.



# Notes to the Consolidated Financial Statements

For the year ended 31 March 2015

## 35. Particulars of Subsidiaries (continued)

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

#### Luck United\*

	2015 HK\$'000	2014 HK\$'000
Current assets	2,870,084	2,352,835
Non-current assets	2,171,893	2,255,212
Current liabilities	857,319	900,817
Non-current liabilities	152,433	151,294
Equity attributable to owners of Luck United	4,032,225	3,555,936
Revenue	1,465,809	1,814,891
Expenses, other gains and losses	989,520	1,044,148
Profit and total comprehensive income for the year	476,289	770,743
Profit and total comprehensive income for the year attributable to:		
Owners of the Company	285,773	462,446
Non-controlling interests	190,516	308,297
	476,289	770,743
Net cash inflow from operating activities	613,516	865,719
Net cash outflow from investing activities	(354,491)	(1,810,202)
Net cash outflow from financing activities	(90,000)	(100,000)
Net cash inflow (outflow)	169,025	(1,044,483)



# Five-Year Financial Summary

For the year ended 31 March 2015

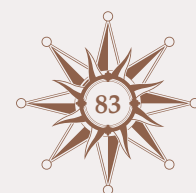
## Results

	Year ended 31 March				
	2015 HK\$'000	2014 HK\$'000	2013 HK\$'000	2012 HK\$'000	2011 HK\$'000
<b>Continuing operations</b>					
Revenue	2,034,787	2,265,476	2,028,293	1,783,074	1,312,104
Profit before taxation	758,557	1,002,468	896,562	822,970	450,138
Taxation	(63,764)	(94,165)	(83,692)	(79,726)	(53,507)
Profit for the year from continuing operations	694,793	908,303	812,870	743,244	396,631
<b>Discontinued operation</b>					
Profit for the year from discontinued operation (note)	–	–	–	–	52,356
Profit for the year	694,793	908,303	812,870	743,244	448,987
Profit for the year attributable to owners of the Company					
– from continuing operations	504,277	600,006	548,625	465,469	279,150
– from discontinued operation	–	–	–	–	52,356
	504,277	600,006	548,625	465,469	331,506
Profit for the year from continuing operations attributable to non-controlling interests	190,516	308,297	264,245	277,775	117,481
	694,793	908,303	812,870	743,244	448,987

## Assets and Liabilities

	At 31 March				
	2015 HK\$'000	2014 HK\$'000	2013 HK\$'000	2012 HK\$'000	2011 HK\$'000
Total assets	6,373,945	6,156,350	4,421,465	3,653,651	2,980,212
Total liabilities	(1,459,614)	(1,773,994)	(798,241)	(696,845)	(653,841)
	4,914,331	4,382,356	3,623,224	2,956,806	2,326,371
Total equity attributable to:					
Owners of the Company	3,301,441	2,959,982	2,509,147	2,106,580	1,761,320
Non-controlling interests	1,612,890	1,422,374	1,114,077	850,226	565,051
	4,914,331	4,382,356	3,623,224	2,956,806	2,326,371

Note: Included results of the subsidiaries of the Company which carried out property development operation in the People's Republic of China. The operation was discontinued during the year ended 31 March 2011.



# Summary of Properties

At 31 March 2015

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

## Completed Investment Properties

	Location	Purpose	Floor area sq. ft.	The Group's interest %
1.	Shops of Ground Floor of the Grand Emperor Hotel, Macau	Commercial	4,672	60
2.	8th Floor of the Grand Emperor Hotel, Macau	Commercial	22,266	60
3.	10th Floor of the Grand Emperor Hotel, Macau	Commercial	22,266	60
4.	Portion of Ground Floor and the whole of 1st Floor of the Best Western Hotel Taipa (to be renamed as Inn Hotel Macau), Macau	Commercial	25,000	100

