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

(Incorporated in Bermuda with limited liability)

(Stock Code: 163)

**ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 MARCH 2013**

FINANCIAL HIGHLIGHTS

	For the year ended 31 March		Changes
	2013	2012	
	HK\$'000	HK\$'000	
Revenue			
Lease of properties	627,032	489,968	+28.0%
Properties development	3,002,849	636,682	+371.6%
Hotel and hotel related operations	2,073,584	1,832,953	+13.1%
Total Revenue	<u>5,703,465</u>	<u>2,959,603</u>	+92.7%
Segment Profit			
Lease of properties	560,571	459,728	+21.9%
Properties development	1,499,449	154,784	+868.7%
Hotel and hotel related operations	825,594	711,160	+16.1%
Total Segment Profit	<u>2,885,614</u>	<u>1,325,672</u>	+117.7%
Revaluation gain on properties	<u>4,599,033</u>	<u>3,975,065</u>	+15.7%
Profit for the year attributable to owners of the Company	<u>6,156,029</u>	<u>4,459,091</u>	+38.1%
Earnings per share			
Basic	<u>HK\$1.68</u>	<u>HK\$1.22</u>	+37.7%
Diluted	<u>HK\$1.68</u>	<u>HK\$1.22</u>	+37.7%

* For identification purpose only

RESULTS

The board of directors (the “Board” or the “Directors”) of Emperor International Holdings Limited (the “Company”) announces the audited consolidated results of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 March 2013 (“Year”) together with the comparative figures for the corresponding year in 2012 as set out below.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2013

		2013	2012
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	3	5,703,465	2,959,603
Cost of properties sales		(1,432,388)	(375,737)
Cost of hotel and hotel related operations		(534,863)	(446,585)
Direct operating expenses in respect of leasing of properties		(33,708)	(27,594)
Gross profit		3,702,506	2,109,687
Other income		66,643	39,583
Fair value changes in properties		4,599,033	3,975,065
Other gains and losses		3,294	4,531
Selling and marketing expenses		(628,206)	(600,120)
Administrative expenses		(345,581)	(283,614)
Finance costs		(210,447)	(164,817)
Share of result of an associate		(7)	17
Profit before taxation	4	7,187,235	5,080,332
Taxation	5	(560,765)	(154,392)
Profit for the Year		<u>6,626,470</u>	<u>4,925,940</u>
Other comprehensive income			
Exchange differences arising on translation of foreign subsidiaries		10,305	86,546
Total comprehensive income for the Year		<u>6,636,775</u>	<u>5,012,486</u>
Profit for the Year attributable to:			
Owners of the Company		6,156,029	4,459,091
Non-controlling interests		470,441	466,849
		<u>6,626,470</u>	<u>4,925,940</u>

	<i>Notes</i>	2013 HK\$'000	2012 <i>HK\$'000</i>
Total comprehensive income attributable to:			
Owners of the Company		6,166,316	4,545,562
Non-controlling interests		470,459	466,924
		<u>6,636,775</u>	<u>5,012,486</u>
Earnings per share	7		
Basic		<u>HK\$1.68</u>	<u>HK\$1.22</u>
Diluted		<u>HK\$1.68</u>	<u>HK\$1.22</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2013

	<i>Notes</i>	2013 HK\$'000	2012 HK\$'000
Non-current assets			
Investment properties		29,357,827	22,745,890
Property, plant and equipment		2,698,992	2,322,137
Deposits paid for acquisition of investment properties/property, plant and equipment		104,482	121,492
Receivables related to a development project		183,877	–
Prepaid lease payments		301,278	309,846
Interest in an associate		–	189
Amount due from an associate		–	436
Deposits in designated bank account for development properties		–	56,017
Goodwill		56,683	56,683
Other assets		4,092	4,442
		32,707,231	25,617,132
Current assets			
Inventories		14,179	13,144
Properties held for sale		234,438	94,591
Properties under development for sale		1,804,664	3,083,088
Prepaid lease payments		8,568	8,568
Trade and other receivables	8	677,432	915,696
Investments in trading securities		1	1
Derivative financial instruments		7,477	2,241
Taxation recoverable		2,344	2,966
Deposits in designated bank account for development properties		14,801	–
Pledged bank deposit		300	300
Short-term bank deposits		22,244	501,923
Bank balances and cash		2,309,974	1,315,914
		5,096,422	5,938,432
Asset classified as held for sale		–	1,450,000
		5,096,422	7,388,432

	<i>Notes</i>	2013 <i>HK\$'000</i>	2012 <i>HK\$'000</i>
Current liabilities			
Trade and other payables	9	1,021,068	2,862,882
Amount due to a related company		398,590	372,306
Amounts due to non-controlling interests of subsidiaries		232,031	249,191
Derivative financial instruments		2,062	1,952
Taxation payable		492,422	228,760
Secured bank borrowings – due within one year		812,841	2,500,560
		2,959,014	6,215,651
Net current assets		2,137,408	1,172,781
Total assets less current liabilities		34,844,639	26,789,913
Non-current liabilities			
Amount due to a related company		3,317,390	3,282,162
Derivative financial instruments		24,276	23,195
Secured bank borrowings – due after one year		5,416,407	3,859,267
Deferred taxation		629,878	408,976
		9,387,951	7,573,600
		25,456,688	19,216,313
Capital and reserves			
Share capital		36,668	36,668
Reserves		23,311,716	17,458,633
Equity attributable to owners of the Company		23,348,384	17,495,301
Non-controlling interests		2,108,304	1,721,012
		25,456,688	19,216,313

NOTES:

1. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with the Hong Kong Financial Reporting Standards (the “HKFRSs”) and Hong Kong Accounting Standards (“HKASs”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) and by the Hong Kong Companies Ordinance. The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments and investment properties which are measured at fair values and in accordance with HKFRSs.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current year, the Group has applied the following amendments to HKFRSs issued by the HKICPA.

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

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

New and revised HKFRSs in issue but not yet effective

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

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

- ¹ Effective for annual periods beginning on or after 1 January 2013.
- ² Effective for annual periods beginning on or after 1 January 2014.
- ³ Effective for annual periods beginning on or after 1 January 2015.
- ⁴ Effective for annual periods beginning on or after 1 July 2012.

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

The amendments to HKAS 1 “Presentation of items of other comprehensive income” introduce new terminology for the statement of comprehensive income and income statement. Under the amendments to HKAS 1, a ‘statement of comprehensive income’ is renamed as a ‘statement of profit or loss and other comprehensive income’. The amendments to HKAS 1 also require items of other comprehensive income to be grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss; and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis – the amendments do not change the option to present items of other comprehensive income either before tax or net of tax.

The amendments to HKAS 1 will be adopted in the Group’s consolidated financial statements for the annual period beginning 1 April 2013 and the application of the amendments will have no material impact on the results and presentation in the consolidated financial statements in the future accounting periods.

HKFRS 13 “Fair value measurement”

HKFRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The standard defines fair value, establishes a framework for measuring fair value, and requires disclosures about fair value measurements. The scope of HKFRS 13 is broad; it applies to both financial instrument items and non-financial instrument items for which other HKFRSs require or permit fair value measurements and disclosures about fair value measurements, except in specified circumstances. In general, the disclosure requirements in HKFRS 13 are more extensive than those in the current standards. For example, quantitative and qualitative disclosures based on the three-level fair value hierarchy currently required for financial instruments only under HKFRS 7 “Financial instruments: Disclosures” will be extended by HKFRS 13 to cover all assets and liabilities within its scope.

HKFRS 13 will be adopted in the Group’s consolidated financial statements for the annual period beginning 1 April 2013 and that the application of the new standard is unlikely to affect the amounts reported in the consolidated financial statements but will result in more extensive disclosures in the consolidated financial statements.

Amendments to HKAS 32 “Offsetting financial assets and financial liabilities and amendments” to HKFRS 7 “Disclosures – Offsetting financial assets and financial liabilities”

The amendments to HKAS 32 clarify existing application issues relating to the offset of financial assets and financial liabilities requirements. Specifically, the amendments clarify the meaning of “currently has a legally enforceable right of set-off” and “simultaneous realisation and settlement”.

The amendments to HKFRS 7 require entities to disclose information about rights of offset and related arrangements (such as collateral posting requirements) for financial instruments under an enforceable master netting agreement or similar arrangement.

The amendments to HKFRS 7 are effective for the Group's annual period beginning 1 April 2013 and interim periods within those annual periods. The disclosures should also be provided retrospectively for all comparative periods. However, the amendments to HKAS 32 are not effective until the Group's annual periods beginning 1 April 2014, with retrospective application required.

The Directors of the Company anticipate that the application of these amendments to HKAS 32 and HKFRS 7 may result in more disclosures being made with regard to offsetting financial assets and financial liabilities in the future.

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

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

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

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

HKFRS 11 replaces HKAS 31 "Interests in Joint Ventures". HKFRS 11 deals with how a joint arrangement of which two or more parties have joint control should be classified. HK (SIC) – Int 13 "Jointly controlled entities – Non-monetary contributions by venturers" will be withdrawn upon the effective date of HKFRS 11. Under HKFRS 11, joint arrangements are classified as joint operations or joint ventures, depending on the rights and obligations of the parties to the arrangements. In contrast, under HKAS 31, there are three types of joint arrangements: jointly controlled entities, jointly controlled assets and jointly controlled operations. In addition, joint ventures under HKFRS 11 are required to be accounted for using the equity method of accounting, whereas jointly controlled entities under HKAS 31 can be accounted for using the equity method of accounting or proportionate consolidation.

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

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

These five standards, together with the amendments to the transitional guidance, will be adopted in the Group's consolidated financial statements for the annual period beginning 1 April 2013. The Directors of the Company have assessed the control in respect of its subsidiaries under the new definition in the new and revised HKFRSs. The Directors of the Company anticipate that the application of these five standards is unlikely to have significant impact on amounts in connection to subsidiaries of the Company currently reported in the consolidated financial statements. In addition, the Group's jointly controlled operation will be classified as joint operation under HKFRS 11. The application of HKFRS 12 will result in more extensive disclosure relating to non-controlling interests of the Group's consolidated financial statements.

Except for the above new and revised HKFRSs, the Directors of the Company anticipate that the application of the other new and revised HKFRSs will have no material impact on the results and financial position of the Group.

3. SEGMENT INFORMATION

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

The segment information reported externally was analysed on the basis of their products and services supplied by the Group's operating divisions which is consistent with the internal information that is regularly reviewed by the Executive Directors of the Company (the "Executive Directors"), the chief operating decision makers, for the purposes of resource allocation and assessment of performance. This is also the basis of organisation in the Group, whereby the management has chosen to organise the Group around differences in products and services.

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

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

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

Segment profit represents the profit earned by each segment without allocation of central administration costs, interest income from bank deposits, finance costs, share of result of an associate, gain on disposal of a subsidiary and net gain (loss) on fair value changes in derivative financial instruments. This is the measure reported to the Executive Directors for the purpose of resource allocation and performance assessment.

Information regarding the above segments is reported below.

Business segments

	Lease of properties <i>HK\$'000</i>	Properties development <i>HK\$'000</i>	Hotel and hotel related operations <i>HK\$'000</i>	Total <i>HK\$'000</i>
For the year ended 31 March 2013				
<i>Segment revenue and results</i>				
Segment revenue from external customers	<u>627,032</u>	<u>3,002,849</u>	<u>2,073,584</u>	<u>5,703,465</u>
Segment results	<u>5,159,604</u>	<u>1,499,729</u>	<u>825,594</u>	7,484,927
Bank interest income				23,866
Unallocated corporate expenses, net				(114,118)
Net gain on fair value changes in derivative financial instruments				3,014
Finance costs				(210,447)
Share of result of an associate				(7)
Profit before taxation				7,187,235
Taxation				(560,765)
Profit for the Year				<u>6,626,470</u>
<i>Other information</i>				
Amounts included in the measure of segment results:				
Allowance for doubtful debts	–	–	19,231	19,231
Depreciation of property, plant and equipment	–	1,616	118,851	120,467
Release of prepaid lease payments	–	–	8,568	8,568
Reversal of write-downs of properties under development for sale	–	280	–	280
Fair value increase in properties	4,599,033	–	–	4,599,033
Amounts regularly provided to the Executive Directors but not included in the measure of segment results (included in unallocated corporate expenses, net):				
				<i>HK\$'000</i>
Depreciation of property, plant and equipment, at corporate level				15,420

	Lease of properties <i>HK\$'000</i>	Properties development <i>HK\$'000</i>	Hotel and hotel related operations <i>HK\$'000</i>	Total <i>HK\$'000</i>
For the year ended 31 March 2012				
<i>Segment revenue and results</i>				
Segment revenue from external customers	<u>489,968</u>	<u>636,682</u>	<u>1,832,953</u>	<u>2,959,603</u>
Segment results	<u>4,434,793</u>	<u>155,934</u>	<u>711,160</u>	<u>5,301,887</u>
Bank interest income				18,180
Unallocated corporate expenses, net				(78,316)
Gain on disposal of a subsidiary				26,287
Net loss on fair value changes in derivative financial instruments				(22,906)
Finance costs				(164,817)
Share of result of an associate				17
Profit before taxation				5,080,332
Taxation				(154,392)
Profit for the year				<u>4,925,940</u>
<i>Other information</i>				
Amounts included in the measure of segment results:				
Depreciation of property, plant and equipment	–	980	98,005	98,985
Release of prepaid lease payments	–	–	8,568	8,568
Reversal of write-downs of properties under development for sale	–	1,150	–	1,150
Fair value increase in properties	3,975,065	–	–	3,975,065
Amounts regularly provided to the Executive Directors but not included in the measure of segment results (included in unallocated corporate expenses, net):				
<i>HK\$'000</i>				
Allowance for doubtful debts				7
Depreciation of property, plant and equipment, at corporate level				15,216

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

Geographical information

The Group's operations are located at Hong Kong, the People's Republic of China (the "PRC") and Macau.

The Group's revenue from external customers and information about its non-current assets, other than amount due from an associate, receivables related to a development project and deposits in designated bank account for development properties, by geographical location of the assets are detailed below:

	Revenue from customers		Non-current assets	
	For the year ended 31 March		As at 31 March	
	2013	2012	2013	2012
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Hong Kong	3,643,775	1,153,888	25,481,104	19,743,993
The PRC	19,783	11,623	3,405,077	2,751,401
Macau	2,039,907	1,794,092	3,637,173	3,065,285
	<u>5,703,465</u>	<u>2,959,603</u>	<u>32,523,354</u>	<u>25,560,679</u>

Information about major customers

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

4. PROFIT BEFORE TAXATION

	2013	2012
	HK\$'000	HK\$'000
Profit before taxation has been arrived at after charging:		
Depreciation of property, plant and equipment	135,887	114,201
Release of prepaid lease payments	8,568	8,568
Gain on disposal of a subsidiary	–	26,287
	<u>144,455</u>	<u>149,056</u>

5. TAXATION

	2013	2012
	<i>HK\$'000</i>	<i>HK\$'000</i>
The charge comprises:		
Current tax		
Hong Kong Profits Tax	241,218	17,111
Macau Complimentary Income Tax (“CT”)	100,583	80,002
The PRC Land Appreciation Tax (“LAT”)	5,054	913
	<u>346,855</u>	<u>98,026</u>
Reversal of CT provision in prior years	<u>(22,687)</u>	<u>(18,130)</u>
(Over) under provision in prior years		
Hong Kong Profits Tax	(214)	(541)
CT	12	–
LAT	16,259	1,029
	<u>16,057</u>	<u>488</u>
	<u>340,225</u>	<u>80,384</u>
Deferred taxation		
Current year	220,540	74,008
	<u>560,765</u>	<u>154,392</u>

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

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

The CT is calculated at the applicable rate of 12% of the estimated assessable profits for the Year.

Pursuant to the CT law, the CT assessment on the estimated assessable profit in a year of assessment will be lapsed in five consecutive years after that year of assessment. At the end of the reporting period, the Directors of the Company reassessed the adequacy of the CT provision and determined to reverse part of the Group’s relevant CT provision of HK\$22,687,000 for the 2007 year of assessment (2012: HK\$18,130,000 for the 2006 year of assessment) accordingly.

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

6. DIVIDENDS

	2013 <i>HK\$'000</i>	2012 <i>HK\$'000</i>
Dividends recognised as distribution during the Year:		
Final dividend paid for 2012: HK\$0.052 per share (2012: HK\$0.052 per share in respect of 2011)	190,673	190,673
Interim dividend paid for 2013: HK\$0.053 per share (2012: HK\$0.05 per share in respect of 2012)	194,338	183,338
	385,011	374,011

The final dividend of HK\$0.056 per share in respect of the year ended 31 March 2013 (2012: final dividend of HK\$0.052 per share) amounting to approximately HK\$205,339,000 has been proposed by the Directors and is subject to approval by the shareholders of the Company at the forthcoming general meeting.

7. EARNINGS PER SHARE

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

	2013 <i>HK\$'000</i>	2012 <i>HK\$'000</i>
Earnings		
Earnings (profit for the Year attributable to owners of the Company) for the purposes of basic and diluted earnings per share	6,156,029	4,459,091
	2013	2012
Number of shares		
Number of ordinary shares in issue for the purpose of basic earnings per share	3,666,776,192	3,666,776,192
Effect of dilutive potential ordinary shares: Share options of the Company	700,038	–
Weighted average number of ordinary shares for the purpose of diluted earnings per share	3,667,476,230	3,666,776,192

Except for the dilutive potential ordinary shares disclosed above, the computation of diluted earnings per share for the years ended 31 March 2013 and 31 March 2012 does not assume the exercise of the Company's and Emperor Entertainment Hotel Limited's ("Emperor E Hotel", the Company's subsidiary) other outstanding share options as the exercise prices of those options were higher than average market price of the Company's and Emperor E Hotel's shares for both years.

8. TRADE AND OTHER RECEIVABLES

An analysis of trade and other receivables is as follows:

	2013 <i>HK\$'000</i>	2012 <i>HK\$'000</i>
Trade receivables	230,451	219,521
Chips on hand	88,331	89,315
Other receivables	313,383	343,089
Other receivables related to a development project	–	183,183
Deposits and prepayments	45,267	80,588
	677,432	915,696

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

	2013 <i>HK\$'000</i>	2012 <i>HK\$'000</i>
0–30 days	200,427	156,948
31–90 days	5,115	16,024
91–180 days	5,152	3,906
Over 180 days	19,757	42,643
	230,451	219,521

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

No credit period were granted to tenants of rental of premises. Before accepting any new tenant, the Group will internally access the credit quality of the potential tenants.

No credit period were granted to hotel customers generally except for those high credit rating customers to which an average credit period of 30 days were granted.

For gaming operation, the Group normally allows credit periods of up to 60 days to its trade customers, except for certain credit worthy customers with long term relationship and stable repayment pattern, where the terms are extended to a longer period.

Included in other receivables are amounts due from related companies of HK\$23,936,000 (2012: HK\$25,094,000). These related companies are companies in which a deemed substantial shareholder of the Company has controlling interest. The amounts are unsecured, interest-free and repayable within one year.

Included in other receivables are deposits received for pre-sale of the Group's properties under development for sale of HK\$97,108,000 (2012: HK\$217,796,000) under the custodian of the independent lawyers on behalf of the Group.

9. TRADE AND OTHER PAYABLES

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

	2013	2012
	<i>HK\$'000</i>	<i>HK\$'000</i>
0–90 days	59,116	20,120
91–180 days	485	92
Over 180 days	67	35
	<hr/>	<hr/>
	59,668	20,247
Construction payables and accruals	567,732	488,717
Other payables and accruals	220,212	163,976
Rental deposits received	168,872	161,517
Deposits received from pre-sale of properties	4,584	1,230,425
Land premium payable	–	798,000
	<hr/>	<hr/>
	1,021,068	2,862,882
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MANAGEMENT DISCUSSION AND ANALYSIS

The Group principally engages in property investments, property development and operation of hotels in Hong Kong, Macau and the PRC.

MARKET REVIEW

Despite the challenging global political and economic landscapes, the property market and demand for residential properties remained relatively stable during the Year due to solid market fundamentals, high purchasing power of customers, low levels of unemployment rate, low interest rates, and rising construction costs. Although various measures were introduced by the governments of Hong Kong and the PRC to cool down the property market during the Year, Hong Kong was still able to stay on track to achieve modest economic growth based on the strength of its healthy economic structure as well as the sustainable development of the PRC.

Due to the steady growth of mainlanders' disposable income and their frequent travels between Hong Kong and the PRC, there have been more mainlanders relocating to Hong Kong. Together with the increase of living standard of local residents, the demand towards the luxury residential units in Hong Kong continues to grow. In addition, the growing number of tourists to Hong Kong further stimulates the local retail market and fuels the demand for retail premises, which provides strong support for the upward trend of the rental level in the prime shopping areas in Hong Kong.

FINANCIAL REVIEW

Overall Review

Taking the advantages of its unique and strategic business position and capitalising on the market opportunities of the selected market segments with higher growth, the Group continued to achieve remarkable results on all business fronts during the Year.

Attributable to the steady rental income growth across the Group's quality property portfolio, significant contribution from the sale of residential projects and solid cash inflow from casino operations in Macau, the Group reported total revenue of HK\$5,703.5 million (2012: HK\$2,959.6 million), representing a substantial growth of 92.7% during the Year. Rental income from investment properties increased remarkably by 28.0% to HK\$627.0 million (2012: HK\$490.0 million), taking up 11.0% (2012: 16.6%) of the Group's total revenue. Since majority of the residential units had been delivered to the customers during the Year, revenue from property development rocketed by 371.6% to HK\$3,002.8 million (2012: HK\$636.7 million), representing 52.6% (2012: 21.5%) of total revenue. The hospitality segment recorded 13.1% growth to HK\$2,073.6 million (2012: HK\$1,833.0 million), accounting for 36.4% (2012: 61.9%) of the total revenue.

Due to asset appreciation of quality retail properties in prime locations, the revaluation gain on properties during the Year increased to HK\$4,599.0 million (2012: HK\$3,975.1 million). The profit for the Year attributable to owners of the Company surged by 38.1% to HK\$6,156.0 million (2012: HK\$4,459.1 million).

Basic and diluted earnings per share were HK\$1.68 (2012: HK\$1.22) and HK\$1.68 (2012: HK\$1.22) respectively. The Group proposed a final dividend of HK\$0.056 per share (2012: HK\$0.052 per share). Together with the interim dividend of HK\$0.053 per share (2012: HK\$0.050 per share), the total dividend for the Year was HK\$0.109 per share (2012: HK\$0.102 per share).

Liquidity And Financial Resources

As at 31 March 2013, the Group's net asset value and net asset value per share amounted to HK\$23,348.4 million (31 March 2012: HK\$17,495.3 million) and HK\$6.37 per share (31 March 2012: HK\$4.77 per share) respectively. The Group owned key property portfolio of over 5 million square feet.

The Group has bank balances and cash amounted to HK\$2,310.0 million as at 31 March 2013 (31 March 2012: HK\$1,315.9 million). The total external borrowings (excluding payables) amounted to approximately HK\$10,177.3 million (31 March 2012: HK\$10,263.5 million) and the Group maintained a debt to total asset ratio of 26.9% (31 March 2012: 31.1%) (measured by total external borrowings as a percentage to the total asset value of the Group). In addition to its share capital and reserves, the Group made use of cash flow generated from operations, bank borrowings and unsecured loans from a related company to finance its operation. The Group's bank borrowings were denominated in Hong Kong dollars and Renminbi ("RMB") and their interest rates followed market rates. The Group's bank balances and cash were also denominated in Hong Kong dollars, RMB and Macau Pataca ("MOP"). Since RMB and MOP are relatively stable, the Group had no material exposure to fluctuations in exchange rates.

BUSINESS REVIEW

Investment Property

The overall occupancy rate of the Group's retail properties was over 99% during the Year, which was attributable to the prime locations of the majority of the Group's retail premises.

Hong Kong

The Group owns many premium investment properties with a strong focus on high-end street level retail space at the most renowned shopping districts in Hong Kong. Key investment properties include the retail shops located at *Nos. 8, 20, 22-24 and 50-56 Russell Street, No. 76 Percival Street* and *Nos. 507, 523 Lockhart Road* in Causeway Bay, *Nos. 4, 6 and 8 Canton Road* and *No. 81 Nathan Road* in Tsim Sha Tsui, shopping mall at *Emperor Group Centre* in Wanchai and *Fitfort Shopping Arcade* in North Point. The significant rental growth, full occupancy rate and high capital appreciation once again demonstrate the Group's expertise on value enhancement for its investment properties through the strengths of the management execution. During the Year, the Group acquired *Shop C, Ground Floor, Nos. 35-37 Haiphong Road, Shop B, Ground Floor, No. 25-29 Hankow Road* and *Shops 30 and 33A, Ground Floor and Mezzanine Floor, 83-97 Nathan Road* in Tsim Sha Tsui. These acquisitions further enhanced the quality of the Group's investment properties portfolio and consolidated its leading position on the premium retail shops.

At present, *Russell Street*, Causeway Bay, is ranked the most valuable shopping street in the world in terms of rental price per square feet. The Group has the largest coverage at the street-level shops at Russell Street with promising pedestrian traffic, resulting in a notable surge in rental growth.

The Pulse is a multi-functional beach-front shopping complex with a gross floor area of approximately 153,000 square feet in Repulse Bay, which is one of the famous tourist spots in the world and the most dazzling beach in Hong Kong. This project is in an advanced stage of internal decoration and is pending to be leased in the financial year of 2013/2014.

Macau

In Macau, the demolition work at *Nos. 71-75 Avenida do Infante D. Henrique & Nos. 514-540 Avenida da Praia Grande* has completed. It will be redeveloped into a multi-storey premium retail complex with a total gross floor area of approximately 30,000 square feet. It is expected that this corner site will be upgraded and signified as a prime city-centre shopping spot in the Peninsula, a traditional gaming area in Macau. The Group will enjoy stable rental income and long-term rental increment on the intrinsic value of this property investment upon its redevelopment completion in 2014.

The PRC

In the PRC, foundation and basement excavation work of the site along *Chang'an Avenue East* in Beijing had been started during the Year. It is planned to be developed into a Grade-A office tower with a total gross area of approximately 1,000,000 square feet. The development will also include multi-storey retail podium, entertainment hot spots and parking facilities, which will become another landmark building along this prominent street of the capital city in the PRC.

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

Property Development

Following the issuance of the occupation permits, the majority of residential units sold at *Harbour One, 18 Upper East, The Java* and *The Prince Place* have been delivered to the customers during the Year. The profit of these four projects has been recognised during the Year, which made significant contribution to the Year's earnings.

Other projects are in good progress, and marketing activities go ahead as planned. Following the unification of title of the site located at *Nos. 179-180 Connaught Road West & No. 345-345A Des Voeux Road West*, Hong Kong (previously known as Cheung Ka Industrial Building), the property is planned to be redeveloped into a luxury composite retail and residential building with a panoramic view of the Victoria Harbour with a total gross floor area amounting to approximately 185,000 square feet. Demolition work has been completed during the Year and the pre-sale is expected to be commenced in the financial year of 2013/2014. The entire project is expected to be completed in 2015.

During the Year, the Group acquired a site at *Tuen Mun Town, Lot No. 436, Kwun Fat Street, Siu Lam*, Tuen Mun, with a total gross floor area of approximately 39,000 square feet. It will be developed into 15 low-rise detached or semi-detached houses with target completion in 2015.

Hotel Operations and Related Services

This section mainly includes the revenue derived from *Emperor (Happy Valley) Hotel* in Hong Kong and the contributions made by *Grand Emperor Hotel* in Macau, whose income from hospitality and related services had been consolidated with the Group.

Emperor (Happy Valley) Hotel in Hong Kong generates revenue mainly from the hotel's accommodation services as well as the food and beverage services. During the Year, the Group continued to diversify its guest mix and put great weight in developing high-yield customers.

The construction work of the site located at *No. 373 Queen's Road East*, Wanchai, with a gross floor area of approximately 115,000 square feet, commenced during the Year. It will be built as a 29-storey hotel with about 300 rooms with leisure, dining and parking facilities. It is planned to commence business in the financial year of 2016. Meanwhile, the foundation work of the site located *Nos. 54-60 Portland Street*, Kowloon, with a gross floor area of approximately 48,000 square feet, has commenced during the Year. It will be built as a 30-storey hotel with about 200 rooms, which is expected to commence its business in 2015.

OUTLOOK

Looking ahead, the overall property market will continue to be impacted by macro-economic factors and local housing policies. However, solid end-user demand and low interest rates, coupled with stable labour market conditions and favourable consumption sentiment will continue to drive a modest growth of property market in Hong Kong. The Group remains optimistic about the long-term economic prospects for Hong Kong as well as the PRC.

Rental income from quality retail properties in prime location has been the key driver in providing steady and sustainable revenue to the Group. Subsequent to the end of the year, the Group has successfully tendered for a 28-storey grade-A office tower with a total gross floor area of approximately 96,000 sq. ft. Since it is located at *No. 60 Gloucester Road*, Wanchai, which is one of the busiest commercial districts of Hong Kong, such acquisition will further widen the Group's portfolio of property investment, hence increasing the rental revenue base.

Dedicated to the Group's continuous efforts and development, its strategic focus will further diversify from the street-level retail properties to shopping complexes with scale at the key tourist areas. It is expected that *The Pulse* and the shopping mall located in *Avenida do Infante D. Henrique*, Macau will bring solid rental income to the Group. The Group remains focused on driving long-term sustainable growth on the property investments.

Regarding property development, the Group will accelerate its development plan in the forthcoming years by utilising the existing land bank and acquiring new land reserve. The Group expects the feedback of the pre-sale of the project located at **Connaught Road West & Des Voeux Road West**, Hong Kong to be positive because of its prime location and luxury residential positioning.

Attributable to the growth of market demand for hotel accommodation of business travellers and tourists, the Group will further expand the business of hotel operations. The Group believes that the hotels to be inaugurated at **No. 373 Queen's Road East**, Wanchai and **Nos. 54-60 Portland Street**, Kowloon will serve as attractive alternatives for business travellers and regional tourists who visit Hong Kong.

The Group is poised for a solid performance in 2013/2014 and continues to be cautious in seeking investment opportunities to enhance the shareholders' return. With its management execution strength and market insight, the Group will strive to further enhance its competitive position and aim to become a key property player in the Greater China region.

EMPLOYEES AND REMUNERATION POLICY

The total cost incurred for staff including Directors' emoluments amounted to HK\$547.2 million during the Year (2012: HK\$453.7 million). The number of staff was 1,566 as at the end of the Year (2012: 1,488). All employees are under remuneration policy of fixed monthly salary with discretionary bonus. Staff benefits include contributions to retirement benefit scheme, medical allowances and other fringe benefits.

To provide incentives or rewards to staff, the Company adopted a share option scheme on 9 September 2003. During the Year, a total of 16,154,211 share options lapsed on 27 January 2013 upon the expiry of the exercisable period. During the Year, no share option had been granted and the outstanding share options as at 31 March 2013 was 21,538,950 share options (2012: 37,693,161 share options).

ASSETS PLEDGED

As at 31 March 2013, assets with carrying value of HK\$27,052.2 million (2012: HK\$22,327.9 million) were pledged as security for banking facilities.

FINAL DIVIDEND

The Board recommended the payment of a final dividend of HK\$0.056 per share (“Final Dividend”) for the year ended 31 March 2013 (2012: HK\$0.052 per share), amounting to approximately HK\$205.3 million (2012: HK\$190.7 million). The Final Dividend, if being approved at the forthcoming annual general meeting of the Company (“AGM”), will be paid on 6 September 2013 (Friday) to shareholders whose names appear on the register of members of the Company on 16 August 2013 (Friday).

CLOSURE OF REGISTER OF MEMBERS

For ascertaining shareholders’ right to attend and vote at AGM

Latest time to lodge transfers	4:30 p.m. on 6 August 2013 (Tuesday)
Book close date	7 August 2013 (Wednesday)
Record date	7 August 2013 (Wednesday)
AGM	8 August 2013 (Thursday)

For ascertaining shareholders’ entitlement to the proposed Final Dividend

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

In order to qualify for the right to attend and vote at the AGM and for the proposed Final Dividend, all relevant share certificates and properly completed transfer forms must be lodged with the Company’s Hong Kong Branch Share Registrar, Tricor Secretaries Limited, at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Hong Kong for registration before the above latest time to lodge transfers.

REVIEW OF ANNUAL RESULTS

The annual results for the Year have been reviewed by the audit committee of the Company, which comprises the three Independent Non-executive Directors of the Company.

CORPORATE GOVERNANCE

Corporate Governance Code

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

Model Code for Securities Transactions

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (“Model Code”) as set out in Appendix 10 of the Listing Rules as its own code of conduct regarding Directors’ securities transactions. Having made specific enquiry to the Directors, all of them confirmed that they have complied with the required standard of dealings as set out in the Model Code throughout the Year.

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

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

PUBLICATION OF THE AUDITED ANNUAL RESULTS AND ANNUAL REPORT

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

By order of the Board
Emperor International Holdings Limited
Luk Siu Man, Semon
Chairperson

Hong Kong, 17 June 2013

As at the date hereof, the Board comprises:

<i>Non-executive Director</i>	:	Ms. Luk Siu Man, Semon
<i>Executive Directors</i>	:	Mr. Wong Chi Fai Ms. Fan Man Seung, Vanessa Mr. Cheung Ping Keung
<i>Independent Non-executive Directors</i>	:	Mr. Chan Man Hon, Eric Mr. Liu Hing Hung Ms. Cheng Ka Yu