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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 2014**

FINANCIAL HIGHLIGHTS	For the year ended 31 March		Changes
	2014	2013	
	HK\$'000	HK\$'000	
Revenue			
Lease of properties	639,276	627,032	+2.0%
Properties development	60,005	3,002,849	-98.0%
Hotel and hotel related operations	2,314,616	2,073,584	+11.6%
Total revenue	<u>3,013,897</u>	<u>5,703,465</u>	-47.2%
Gross profit	<u>2,386,757</u>	<u>3,702,506</u>	-35.5%
Revaluation gain on properties	<u>1,385,251</u>	<u>4,599,033</u>	-69.9%
Total segment profit (excluding revaluation gain)	<u>1,494,273</u>	<u>2,885,894</u>	-48.2%

* For identification purpose only

The board of directors (the “Board” or the “Directors”) of Emperor International Holdings Limited (the “Company”) is pleased to announce the audited consolidated financial statements of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 March 2014 (the “Year”) together with the comparative figures for the corresponding year in 2013 as set out below:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2014

	<i>Notes</i>	2014 HK\$'000	2013 HK\$'000
Revenue	3	3,013,897	5,703,465
Cost of properties sales		(24,982)	(1,432,388)
Cost of hotel and hotel related operations		(567,789)	(534,863)
Direct operating expenses in respect of leasing of properties		(34,369)	(33,708)
Gross profit		2,386,757	3,702,506
Other income		123,394	66,643
Fair value changes in properties		1,385,251	4,599,033
Other gains and losses		2,884	3,294
Selling and marketing expenses		(602,272)	(628,206)
Administrative expenses		(422,745)	(345,581)
Finance costs		(218,151)	(210,447)
Share of result of an associate		–	(7)
Profit before taxation	4	2,655,118	7,187,235
Taxation	5	(265,688)	(560,765)
Profit for the year		<u>2,389,430</u>	<u>6,626,470</u>

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME** (continued)

	<i>Notes</i>	2014 HK\$'000	2013 <i>HK\$'000</i>
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of foreign subsidiaries		<u>73,743</u>	<u>10,305</u>
Total comprehensive income for the year		<u>2,463,173</u>	<u>6,636,775</u>
Profit for the year attributable to:			
Owners of the Company		<u>1,858,140</u>	6,156,029
Non-controlling interests		<u>531,290</u>	<u>470,441</u>
		<u>2,389,430</u>	<u>6,626,470</u>
Total comprehensive income for the year attributable to:			
Owners of the Company		<u>1,931,444</u>	6,166,316
Non-controlling interests		<u>531,729</u>	<u>470,459</u>
		<u>2,463,173</u>	<u>6,636,775</u>
Earnings per share			
Basic	7	<u>HK\$0.51</u>	<u>HK\$1.68</u>
Diluted		<u>HK\$0.51</u>	<u>HK\$1.68</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2014

	<i>Notes</i>	2014	2013
		<i>HK\$'000</i>	<i>HK\$'000</i>
Non-current assets			
Investment properties		33,140,675	29,357,827
Property, plant and equipment		3,088,093	2,698,992
Deposits paid for acquisition of investment properties/property, plant and equipment		6,399	104,482
Receivables related to a development project		187,244	183,877
Prepaid lease payments		644,578	301,278
Interest in an associate		–	–
Goodwill		56,683	56,683
Other assets		4,092	4,092
		<hr/> 37,127,764	<hr/> 32,707,231
Current assets			
Inventories		14,262	14,179
Properties held for sale		210,393	234,438
Properties under development for sale		2,148,806	1,804,664
Prepaid lease payments		18,702	8,568
Trade and other receivables	8	577,622	677,432
Investments in trading securities		–	1
Derivative financial instruments		–	7,477
Taxation recoverable		10,490	2,344
Deposits in designated bank account for development properties		11,685	14,801
Pledged bank deposits		2,414,396	300
Short-term bank deposits		15,066	22,244
Bank balances and cash		764,769	2,309,974
		<hr/> 6,186,191	<hr/> 5,096,422

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

	<i>Notes</i>	2014 <i>HK\$'000</i>	2013 <i>HK\$'000</i>
Current liabilities			
Trade and other payables	9	926,167	1,021,068
Amount due to a related company		424,257	398,590
Amounts due to non-controlling interests of subsidiaries		188,566	232,031
Derivative financial instruments		8,496	2,062
Taxation payable		384,536	492,422
Bank and other borrowings – due within one year		2,085,713	812,841
		4,017,735	2,959,014
Net current assets		2,168,456	2,137,408
Total assets less current liabilities		39,296,220	34,844,639
Non-current liabilities			
Amount due to a related company		3,041,701	3,317,390
Unsecured notes		850,717	–
Derivative financial instruments		15,141	24,276
Bank and other borrowings – due after one year		7,094,984	5,416,407
Deferred taxation		759,891	629,878
		11,762,434	9,387,951
		27,533,786	25,456,688
Capital and reserves			
Share capital		36,718	36,668
Reserves		24,915,862	23,311,716
Equity attributable to owners of the Company		24,952,580	23,348,384
Non-controlling interests		2,581,206	2,108,304
		27,533,786	25,456,688

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 predecessor Hong Kong Companies Ordinance, Cap. 32.

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

In the current Year, the Group has applied the following HKASs and HKFRSs, amendments and interpretations (“INTs”) (hereinafter collectively referred to as the “new and revised HKFRSs”) issued by the HKICPA.

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

* IFRIC represents the International Financial Reporting Interpretations Committee.

Except as described below, the application of these 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 these consolidated financial statements.

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

In the current Year, the Group has applied for the first time the package of five standards on consolidation, joint arrangements, associates and disclosures comprising HKFRS 10 “Consolidated financial statements”, HKFRS 11 “Joint arrangements”, HKFRS 12 “Disclosure of interests in other entities”, HKAS 27 (as revised in 2011) “Separate financial statements” and HKAS 28 (as revised in 2011) “Investments in associates and joint ventures”, together with the amendments to HKFRS 10, HKFRS 11 and HKFRS 12 regarding transitional guidance. HKAS 27 (as revised in 2011) is not applicable to the Group as it deals only with separate financial statements.

The impact of the application of these standards is set out below:

Impact of the application of HKFRS 10

HKFRS 10 replaces the parts of HKAS 27 “Consolidated and separate financial statements” that deal with consolidated financial statements and HK(SIC) – INT 12 “Consolidation – Special purpose entities”. HKFRS 10 changes the definition of control such that an investor has control over an investee when (a) it has power over the investee, (b) it is exposed, or has rights, to variable returns from its involvement with the investee and (c) has the ability to use its power to affect its returns. All three of these criteria must be met for an investor to have control over an investee. Previously, control was defined as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Additional guidance has been included in HKFRS 10 to explain when an investor has control over an investee.

The application of HKFRS 10 has no material impact on the amounts reported in the consolidated financial statements.

Impact of the application of HKFRS 12

HKFRS 12 is a new disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the application of HKFRS 12 has resulted in more extensive disclosures in the consolidated financial statements. Other than the disclosures required by the HKFRS 12, the application of HKFRS 12 has no material impact on the amounts recognised in the consolidated financial statements.

HKFRS 13 “Fair value measurement”

The Group has applied HKFRS 13 for the first time in the current Year. HKFRS 13 establishes a single source of guidance for, and disclosures about, fair value measurements. The scope of HKFRS 13 is broad: the fair value measurement requirements of HKFRS 13 apply 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 for sharebased payment transactions that are within the scope of HKFRS 2 “Share-based payment”, leasing transactions that are within the scope of HKAS 17 “Leases”, and measurements that have some similarities to fair value but are not fair value (e.g. net realisable value for the purposes of measuring inventories or value in use for impairment assessment purposes).

HKFRS 13 defines the fair value of an asset as the price that would be received to sell an asset (or paid to transfer a liability, in the case of determining the fair value of a liability) in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions. Fair value under HKFRS 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique. Also, HKFRS 13 includes extensive disclosure requirements.

HKFRS 13 requires prospective application. In accordance with the transitional provisions of HKFRS 13, the Group has not made any new disclosures required by HKFRS 13 for the 2013 comparative period. Other than the additional disclosures, the application of HKFRS 13 has not had any material impact on the amounts recognised in the consolidated financial statements.

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

The Group has applied the amendments to HKAS 1 “Presentation of items of other comprehensive income”. Upon the adoption of the amendments to HKAS 1, the Group’s ‘statement of comprehensive income’ is renamed as the ‘statement of profit or loss and other comprehensive income’. Furthermore, the amendments to HKAS 1 require additional disclosures to be made in the other comprehensive income section such that items of other comprehensive income are 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 have been applied retrospectively, and hence the presentation of items of other comprehensive income has been modified to reflect the changes. Other than the above mentioned presentation changes, the application of the amendments to HKAS 1 does not result in any impact on profit or loss, other comprehensive income and total comprehensive income.

New and revised HKFRSs issued but not yet effective

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

Amendments to HKFRSs	Annual improvements 2010-2012 Cycle ⁴
Amendments to HKFRSs	Annual improvements 2011-2013 Cycle ²
Amendments to HKFRS 9 and HKFRS 7	Mandatory effective date of HKFRS 9 and transition disclosures ³
Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Investment entities ¹
Amendments to HKFRS 11	Accounting for acquisitions of interests in joint operations ⁶
Amendments to HKAS 16 and HKAS 38	Clarification of acceptable methods of depreciation and amortisation ⁶
Amendments to HKAS 19	Defined benefit plans: employee contributions ²
Amendments to HKAS 32	Offsetting financial assets and financial liabilities ¹
Amendments to HKAS 36	Recoverable amount disclosures for non-financial assets ¹
Amendments to HKAS 39	Novation of derivatives and continuation of hedge accounting ¹
HKFRS 9	Financial instruments ³
HKFRS 14	Regulatory deferral accounts ⁵
HK(IFRIC) – INT 21	Levies ¹

- ¹ Effective for annual periods beginning on or after 1 January 2014.
- ² Effective for annual periods beginning on or after 1 July 2014.
- ³ Available for application – the mandatory effective date will be determined when the outstanding phases of HKFRS 9 are finalized.
- ⁴ Effective for annual periods beginning on or after 1 July 2014 with limited exceptions.
- ⁵ Effective for first annual HKFRS financial statements beginning on or after 1 January 2016.
- ⁶ Effective for annual periods beginning on or after 1 January 2016.

The Directors anticipate that the application of the other new or 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 and Best Western 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 that 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 or loss from each segment without allocation of central administration costs, interest income from bank deposits, finance costs, share of result of an associate and net gain 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 2014				
<i>Segment revenue and results</i>				
Segment revenue – from external customers	<u>639,276</u>	<u>60,005</u>	<u>2,314,616</u>	<u>3,013,897</u>
Segment results	<u>1,958,064</u>	<u>24,245</u>	<u>897,215</u>	2,879,524
Bank interest income				63,592
Unallocated corporate expenses, net				(72,223)
Net gain on fair value changes in derivative financial instruments				2,376
Finance costs				<u>(218,151)</u>
Profit before taxation				2,655,118
Taxation				<u>(265,688)</u>
Profit for the year				<u>2,389,430</u>
<i>Other information</i>				
Amounts included in the measure of segment results:				
Allowance for doubtful debts	–	–	4,306	4,306
Depreciation of property, plant and equipment	–	1,154	137,189	138,343
Release of prepaid lease payments	–	–	8,866	8,866
Reversal of write-downs of properties under development for sale	–	508	–	508
Fair value increase in properties	1,385,251	–	–	1,385,251
Amounts regularly provided to the Executive Directors but not included in the measure of segment results (included in unallocated corporate expenses, net):				
				<i>HK\$'000</i>
Depreciation of property, plant and equipment, at corporate level				22,206

	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>

Other information

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):

HK\$'000

Depreciation of property, plant and equipment, at corporate level 15,420

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 receivables related a development project, 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	
	2014	2013	2014	2013
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Hong Kong	730,671	3,643,775	28,349,355	25,481,104
The PRC	6,024	19,783	3,892,164	3,405,077
Macau	2,277,202	2,039,907	4,699,001	3,637,173
	<u>3,013,897</u>	<u>5,703,465</u>	<u>36,940,520</u>	<u>32,523,354</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\$2,052,264,000 (2013: HK\$1,857,442,000). The revenue is related to the hotel and hotel related operations.

4. PROFIT BEFORE TAXATION

	2014	2013
	HK\$'000	HK\$'000
Profit before taxation has been arrived at after charging:		
Depreciation of property, plant and equipment	160,549	135,887
Release of prepaid lease payments	<u>8,866</u>	<u>8,568</u>

5. TAXATION

	2014	2013
	<i>HK\$'000</i>	<i>HK\$'000</i>
The charge comprises:		
Current tax		
Hong Kong Profits Tax	(47,230)	(241,218)
Macau Complementary Income Tax (“CT”)	(110,764)	(100,583)
The PRC Land Appreciation Tax (“LAT”)	(225)	(5,054)
	<u>(158,219)</u>	<u>(346,855)</u>
Reversal of CT provision in prior years	<u>22,339</u>	<u>22,687</u>
(Under) over provision in prior years		
Hong Kong Profits Tax	(4,994)	214
CT	–	(12)
LAT	–	(16,259)
	<u>(4,994)</u>	<u>(16,057)</u>
Deferred taxation		
Current year	<u>(124,814)</u>	<u>(220,540)</u>
	<u>(265,688)</u>	<u>(560,765)</u>

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

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

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

Pursuant to the CT law, the CT assessment on the estimated assessable profit in a year of assessment will be lapsed in five consecutive years after that year of assessment. At the end of the reporting period, the Directors reassessed the adequacy of the CT provision and determined to reverse part of the Group’s relevant CT provision of HK\$22,339,000 for the 2008 year of assessment (2013: HK\$22,687,000 for the 2007 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

	2014 <i>HK\$'000</i>	2013 <i>HK\$'000</i>
Dividends recognised as distribution during the year:		
Final dividend paid for 2013: HK\$0.056 per share (2013: HK\$0.052 per share in respect of 2012)	205,339	190,673
Interim dividend paid for 2014: HK\$0.055 per share (2013: HK\$0.053 per share in respect of 2013)	201,948	194,338
	<u>407,287</u>	<u>385,011</u>

The final dividend of HK\$0.059 per share in respect of the year ended 31 March 2014 (2013: final dividend of HK\$0.056 per share) amounting to approximately HK\$216,635,000 has been proposed by the Directors and is subject to approval by the shareholders in the forthcoming annual general meeting.

7. EARNINGS PER SHARE

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

	2014 <i>HK\$'000</i>	2013 <i>HK\$'000</i>
Earnings		
Earnings (profit for the year attributable to owners of the Company) for the purpose of basic and diluted earnings per share	<u>1,858,140</u>	<u>6,156,029</u>
	2014	2013
Number of shares		
Weighted average number of ordinary shares in issue for the purpose of basic earnings per share	3,668,296,740	3,666,776,192
Effect of dilutive potential ordinary shares: Share options of the Company	<u>3,163,576</u>	<u>700,038</u>
Weighted average number of ordinary shares for the purpose of diluted earnings per share	<u>3,671,460,316</u>	<u>3,667,476,230</u>

The calculation of diluted earnings per share is based on the profit for the Year attributable to owners of the Company and the weighted average number of ordinary shares adjusted by the weighted average number of ordinary shares assumed to have been issued under the Company's share option scheme. The computation of diluted earnings per share does not assume the exercise of the Company's subsidiary, Emperor Entertainment Hotel Limited's outstanding share options as the exercise price of those options was higher than the average market price of shares for the year ended 31 March 2013 and the effect was insignificant for the year ended 31 March 2014.

8. TRADE AND OTHER RECEIVABLES

An analysis of trade and other receivables is as follows:

	2014 <i>HK\$'000</i>	2013 <i>HK\$'000</i>
Trade receivables	234,880	230,451
Chips on hand	87,239	88,331
Other receivables	211,738	313,383
Deposits and prepayments	43,765	45,267
	<hr/> 577,622 <hr/>	<hr/> 677,432 <hr/>

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

	2014 <i>HK\$'000</i>	2013 <i>HK\$'000</i>
0–30 days	215,047	200,427
31–90 days	5,024	5,115
91–180 days	51	5,152
Over 180 days	14,758	19,757
	<hr/> 234,880 <hr/>	<hr/> 230,451 <hr/>

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

No credit period was granted to tenants of rental of premises. Before accepting any new tenant, the Group will internally assess the credit quality of the potential tenants. No credit period was also 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\$29,900,000 (2013: HK\$23,936,000). These related companies are indirectly controlled by Albert Yeung Holdings Limited which is held by STC International Limited being the trustee of The Albert Yeung Discretionary Trust (the "AY Trust") (Dr. Yeung Sau Shing, Albert is the founder of the AY Trust and a deemed substantial shareholder of the Company). The amounts are unsecured, interest free and repayable within one year.

Included in other receivables are deposits received for pre-sale of the Group's properties under development for sale of HK\$71,240,000 (2013: HK\$97,108,000) 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:

	2014	2013
	<i>HK\$'000</i>	<i>HK\$'000</i>
0–90 days	26,321	59,116
91–180 days	569	485
Over 180 days	–	67
	<hr/>	<hr/>
	26,890	59,668
Construction payables and accruals	510,147	567,732
Other payables and accruals	200,053	220,212
Rental deposits received	189,077	168,872
Deposits received from pre-sales of properties	–	4,584
	<hr/>	<hr/>
	926,167	1,021,068
	<hr/> <hr/>	<hr/> <hr/>

10. ACQUISITIONS

During the Year, the Group had acquired the following property interests in Hong Kong and Macau from independent third parties:

- (a) In September 2013, the Group acquired property interests named Wing Hang Finance Centre through acquisition of Honfirst Land Limited at a cash consideration of HK\$1,588,000,000.
- (b) In March 2014, the Group acquired property interests named Best Western Hotel Taipa, Macau through acquisition of Himson Enterprises Limited and Longham Investment Limited at a cash consideration of HK\$900,000,000.

MANAGEMENT DISCUSSION AND ANALYSIS

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

MARKET REVIEW

It was a challenging year for the Year. The U.S. economy continued to improve gradually and signs of stability emerged across major economies in the Eurozone area. Nevertheless, in response to the government housing policies and dampened market sentiment, the Group stayed vigilant over the changing market conditions. Due to the steady growth of disposable income of mainlanders, enhancement of living standard of local residents, low unemployment rate and interest rate, the demand towards luxury residential units in Hong Kong remained relatively stable. In line with the growing number of tourists to Hong Kong, it further stimulated the local retail market and fueled the demand for retail premises, which provided strong support for the upward trend of the rental level in prime shopping areas in Hong Kong.

FINANCIAL REVIEW

Overall Review

During the Year, the Group reported revenue of HK\$3,013.9 million (2013: HK\$5,703.5 million). Driven by solid revenue growth from *Grand Emperor Hotel* in Macau, the hospitality segment achieved 11.6% growth to HK\$2,314.6 million (2013: HK\$2,073.6 million), accounting for 76.8% (2013: 36.4%) of the total revenue. Taking the advantages of the solid rental increment from its quality investment properties, rental income from investment properties still increased slightly by 2.0% to HK\$639.3 million (2013: HK\$627.0 million), taking up 21.2% (2013: 11.0%) of the total revenue, despite the fact that some of the Group's investment properties were vacated during the Year, pending redevelopment for transformation to create better potential return in the near future. Since the majority of the sales proceeds from residential units had been recognised in the last financial year, revenue from property development during the Year was only HK\$60.0 million (2013: HK\$3,002.8 million), accounting for 2.0% (2013: 52.6%) of the total revenue.

Gross profit was HK\$2,386.8 million (2013: HK\$3,702.5 million). Revaluation gain on properties during the Year decreased to HK\$1,385.3 million (2013: HK\$4,599.0 million). Attributable to its premium investment properties with a strong focus on high-end street level retail spaces, the Group is more resilient to the general property market trend in Hong Kong. Due to the fluctuation from the sale of residential units during the Year, the total segment profit excluding the revaluation gain on properties decreased to HK\$1,494.3 million (2013: HK\$2,885.9 million).

Basic and diluted earnings per share were HK\$0.51 (2013: HK\$1.68) and HK\$0.51 (2013: HK\$1.68) respectively. The Group recommended the payment of a final dividend of HK\$0.059 per share (2013: HK\$0.056). Together with the interim dividend of HK\$0.055 per share (2013: HK\$0.053), the total dividend for the Year was HK\$0.114 per share (2013: HK\$0.109).

Liquidity And Financial Resources

The Group owned key property portfolio of over 5 million square feet. As at 31 March 2014, the Group's net asset value and net asset value per share amounted to HK\$24,952.6 million (2013: HK\$23,348.4 million) and HK\$6.80 per share (2013: HK\$6.37) respectively.

The Group has cash, bank balances and bank deposits amounted to HK\$3,194.2 million as at 31 March 2014 (2013: HK\$2,332.5 million). The total external borrowings (excluding payables) amounted to approximately HK\$13,685.9 million (2013: HK\$10,177.3 million) and the Group's debt to total asset ratio was 31.6% (2013: 26.9%) (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 with minor exchange fluctuations, the Group had limited and immaterial exposure to fluctuations in exchange rates.

Capital Structure

During the Year, a total of 5,000,000 share options of the Company were exercised. The number of issued shares of the Company was then increased by 5,000,000. The Company's share capital and share premium account were increased by HK\$50,000 and HK\$9.8 million respectively, and the share option reserve of the Company was reduced by HK\$1.1 million.

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 and 50-56 Russell Street, No. 76 Percival Street* and *Nos. 507, 523 Lockhart Road* in Causeway Bay, *Nos. 4, 6 and 8 Canton Road, No. 81 Nathan Road, Shop C, Ground Floor, Nos. 35-37 Haiphong Road* and *Shop B, Ground Floor, Nos. 25-29 Hankow Road* in Tsim Sha Tsui, shopping malls 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 completed the acquisition of *No. 60 Gloucester Road* in Wanchai. Since it is located at one of the highest traffic commercial districts of Hong Kong, such acquisition can further widen the Group's investment properties portfolio, hence increasing the rental revenue base.

At present, **Russell Street**, Causeway Bay, is ranked as the most valuable shopping street in the world, in terms of rental price per square feet per annum. 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. During the Year, **Nos. 22-24 Russell Street** was under redevelopment, pending to be transformed into an upscale streetscape and re-launched in 2015.

The Pulse is a multi-functional beach-front shopping complex with a gross floor area of approximately 167,000 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 under the pre-marketing and pre-leasing stage and the final stage of internal decoration is about to finish soon. It is pending to be launched in 2014.

Macau

In Macau, the demolition work at **Nos. 71-75 Avenida do Infante D. Henrique & Nos. 514-540 Avenida da Praia Grande** was completed. It will be redeveloped into a multi-storey premium retail complex with a 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 2015.

The PRC

In the PRC, foundation and basement excavation work of the site along **Chang'an Avenue East** in Beijing was in progress during the Year. It is planned to be developed into a Grade-A office tower with a gross floor area of approximately 1,000,000 square feet. The development will include multi-storey retail podium, entertainment hot spots and parking facilities, which will become another landmark building along this prominent street of the capital city in the PRC in 2016.

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 gross floor area of approximately 1,300,000 square feet, the complex will include a multi-storey shopping arcade as its major component. The Group expects such project will generate substantial and stable rental revenue upon completion in the future.

Property Development

Marketing campaigns and promotion activities of the remaining residential units at *Harbour One, 18 Upper East, The Java and The Prince Place* were carried on during the Year.

Other projects are in good progress. The site located at *Nos. 179-180 Connaught Road West & No. 345-345A Des Voeux Road West*, Hong Kong, is planned to be redeveloped into a luxury composite retail and residential building with a panoramic view of the Victoria Harbour with a total floor area amounting to approximately 185,000 square feet. The construction work has been going ahead as planned during the Year. The superstructure is expected to be completed in 2014, followed by pre-sale to the market. The entire project is expected to be completed in 2015.

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

During the Year, the Group has won the bid of a seaview residential site located at *Tuen Mun Town Lot No. 490, Tai Lam*, Tuen Mun, with a total floor area of approximately 29,000 square feet. This site will be well served by a superb transportation network of Hong Kong–Shenzhen Western Corridor as well as the future Tuen Mun – Chek Lap Kok Link and Hong Kong–Zhuhai–Macau Bridge. It is also in close proximity to Harrow International School Hong Kong, the Hong Kong branch of the prestigious Harrow School based in the United Kingdom. It will be developed into 10 low-rise detached or semi-detached houses with target completion in 2017.

Hotel Operations and Related Services

During the Year, this segment 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 gaming 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. During the Year, *Golden Valley*, a restaurant featuring authentic Cantonese and Sichuan cuisine in this hotel, was rated as Michelin one-star restaurant for the fourth consecutive year in “Michelin Guide Hong Kong Macau 2014”, an international benchmark for gourmet dining.

The foundation work of the site located at *No. 373 Queen's Road East*, Wanchai, with a gross floor area of approximately 115,000 square feet, was in progress during the Year. It will be built as a 29-storey hotel with about 300 rooms with leisure, dining and parking facilities with target completion in 2016. Meanwhile, the construction work of the site located *Nos. 54-60 Portland Street*, Kowloon, with a gross floor area of approximately 48,000 square feet, continued 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.

During the Year, the Group completed the acquisition of *Best Western Hotel Taipa*, Macau. Located at Estrada Governador Nobre De Carvalho Nos. 812-848 Taipa Macau, it is a 17-storey 3-stars hotel with total gross floor area of 209,000 square feet and 262 guest rooms. With the expansion of guest rooms capacity, the Group can capture the potential of hospitality market in Macau.

OUTLOOK

Supported by the favourable consumption sentiment and overwhelming market demand at the key tourist areas, the Group believes that the growth of rental revenue will maintain solid and such rental income will continue to be the key revenue growth driver in the long-run. The upcoming of the retail complex “*The Pulse*”, the grand shopping mall located at *Avenida do Infante D. Henrique*, Macau and the completion of renovation and upgrading of the office tower located at *No. 60 Gloucester Road*, Wanchai will further enhance its leading position in the investment property market. *Nos. 22-24 Russell Street* in Causeway Bay is pending to be transformed and re-launched in 2015. Such transformation will once again demonstrate the Group’s successful story on value creation and further enhancement of the intrinsic value of the existing investment properties portfolio, resulting from conversion and upgrading of tenancy class.

The Group is building a steady development projects pipeline for providing long-term contribution on the sale of residential units. Looking ahead, 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 that the various upcoming residential development projects will generate substantial income in the near future. Although the residential property market will continue to be impacted by macro-economic factors and local housing policies, the Group is confident towards its property development portfolio because of its prime location and luxury residential positioning.

Attributable to the growth of market demand for hotel accommodation of business travelers and tourists, the Group further expands 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.

With the support of the increasing number of visitors arrival to Macau, the recent acquisition of the *Best Western Hotel Taipa* can offer a good opportunity to capture the market potential, broaden its asset and earnings base.

The Group continues to be cautious in seeking investment opportunities to enhance 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 emoluments of Directors of the Company amounted to HK\$570.1 million during the Year (2013: HK\$547.2 million). The number of staff was 1,674 as at the end of the Year (2013: 1,566). 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 staff, the Company adopted a share option scheme on 9 September 2003 (the "Old Share Option Scheme"). The Old Share Option Scheme lapsed automatically during the Year upon the expiry of the 10-year period. During the Year, the Company adopted a new share option scheme on 15 August 2013 in view of the expiration of the Old Share Option Scheme. Other relevant details of both schemes will be set out in the section headed "Share Options" of the annual report.

ASSETS PLEDGED

As at 31 March 2014, assets with carrying value of HK\$33,786.5 million (2013: HK\$27,052.2 million) were pledged as security for banking facilities.

FINAL DIVIDEND

The Board recommended the payment of a final dividend of HK\$0.059 per share ("Final Dividend") for the Year (2013: HK\$0.056 per share), amounting to approximately HK\$216.6 million (2013: HK\$205.3 million). The Final Dividend, if being approved at the forthcoming annual general meeting of the Company ("AGM"), will be paid on 18 September 2014 (Thursday) to shareholders whose names appear on the register of members of the Company on 27 August 2014 (Wednesday).

CLOSURE OF REGISTER OF MEMBERS

For ascertaining shareholders' right to attend and vote at AGM

Latest time to lodge transfers	4:30 p.m. on 15 August 2014 (Friday)
Book close date	18 August 2014 (Monday)
Record date	18 August 2014 (Monday)
AGM	19 August 2014 (Tuesday)

For ascertaining shareholders' entitlement to the proposed Final Dividend

Latest time to lodge transfers	4:30 p.m. on 25 August 2014 (Monday)
Book close dates	26 – 27 August 2014 (Tuesday – Wednesday)
Record date	27 August 2014 (Wednesday)
Final Dividend payment date	18 September 2014 (Thursday)

In order to qualify for the right to attend and vote at the AGM and for the proposed Final Dividend, all relevant share certificates and properly completed transfer forms must be lodged with the Company's Hong Kong Branch Share Registrar, Tricor Secretaries Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration before the above 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, 18 June 2014

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. Liu Hing Hung Ms. Cheng Ka Yu Mr. Wong Tak Ming, Gary