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

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

2023/2024 ANNUAL RESULTS ANNOUNCEMENT
AND
CHANGE IN COMPOSITION OF BOARD COMMITTEES

I. ANNUAL RESULTS

The board of directors (“**Board**” or “**Directors**”) of Emperor Entertainment Hotel Limited (“**Company**”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively referred to as “**Group**”) for the year ended 31 March 2024 (“**Year**”).

FINANCIAL HIGHLIGHTS

	For the year ended		Changes
	31 March 2024	2023	
	HK\$'000	HK\$'000	
Total revenue	789,262	291,119	+ 171.1%
Gross profit (loss)	307,849	(115,689)	Turnaround
Underlying profit (loss) ¹	85,096	(177,779)	Turnaround
Net profit (loss)	62,831	(127,997)	Turnaround
Basic earnings (loss) per share	HK\$0.05	HK\$(0.08)	N/A

¹ Represents net profit (loss) before fair value changes, impairment losses reversed and their relevant deferred taxes

MANAGEMENT DISCUSSION AND ANALYSIS

RESULTS

Benefiting from the revival in visitor arrivals and a recovery in hospitality and entertainment demand, the Group's total revenue grew significantly during the Year by 171.1% to HK\$789.3 million (2023: HK\$291.1 million), with the revenue from hotels and serviced apartments increasing by 62.3% to HK\$330.1 million (2023: HK\$203.4 million) and gaming revenue surging by 423.6% to HK\$459.2 million (2023: HK\$87.7 million). Due to a significant increase in total revenue, the Group achieved a turnaround during the Year; hence a net profit of HK\$62.8 million (2023: net loss of HK\$128.0 million) was recorded. Basic earnings per share was HK\$0.05 (2023: basic loss of HK\$0.08 per share).

MARKET REVIEW

During the Year, the industry revival in the post-pandemic era had a positive influence on the Group, with business and leisure travellers resuming international travel and driving up demand for hospitality services. The Hong Kong government has made tremendous efforts to attract tourists, and has launched a series of effective campaigns and measures including "Hello Hong Kong", "Happy Hong Kong" and "Night Vibes Hong Kong" as well as many mega events. The Hong Kong Tourism Board indicated that over 40.8 million tourists visited Hong Kong during the Year, which gradually recovered to pre-pandemic levels. The Mainland Chinese tourism has recovered rapidly, partly through the advent of additional cross-boundary infrastructure such as the high-speed rail and the Hong Kong-Zhuhai-Macau Bridge.

Following the revival of tourism and entertainment demand, and increased visitor arrivals to Macau, growth in gross gaming revenue in Macau continued regaining momentum. During the Year, visitor arrivals to Macau surged by 266.4% to 32.1 million, and Macau gross gaming revenue surged to HK\$206.4 billion, up by 245.6% compared to the previous period.

BUSINESS REVIEW

The Group currently engages in provision of hospitality and entertainment services, which covers a total of six hotels and serviced apartments in Hong Kong and Macau, as follows:

- The Emperor Hotel and three blocks of The Unit Serviced Apartments in Hong Kong – namely The Unit Morrison Hill, The Unit Happy Valley and The Unit Davis; and
- Grand Emperor Hotel (with gaming facilities) and Inn Hotel in Macau.

About The Emperor Hotel

The Emperor Hotel, a 29-storey hotel in Wan Chai, is the Group's signature project in Hong Kong. It offers 299 guest rooms together with leisure, dining and parking facilities, with a gross floor area of approximately 115,700 square feet. The Emperor Hotel creates a comfortable experience, catering to the lifestyles of both leisure and business travellers. Golden Valley, a Cantonese & Sichuan cuisine within the hotel, had been rated as a Michelin 1-star restaurant.

About The Unit Morrison Hill

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

About The Unit Happy Valley

The Unit Happy Valley, a 21-storey, 68-unit block located in Happy Valley, is a highly sought-after residence given its ease of access to the central business district. The area is vibrant, conveniently located near Hong Kong's commercial districts, and affords easy access to the shopping districts in Causeway Bay, Hong Kong Jockey Club and Hong Kong Stadium for international sports events, and Hong Kong Sanatorium & Hospital for medical check-ups, helping to ensure solid short-term leasing demand.

About The Unit Davis

The Unit Davis is a 22-storey serviced apartments building on Davis Street, within the Kennedy Town and Mount Davis area of Hong Kong Island, with a total of 57 units. Spurred by the opening of Kennedy Town station – which provides a convenient link to Hong Kong's central business district as well as dining and entertainment areas such as Sai Ying Pun, Lan Kwai Fong and Soho, the area has become a vibrant neighbourhood with new residential and commercial offerings.

About Grand Emperor Hotel

Located on the Macau Peninsula, Grand Emperor Hotel is a 26-storey hotel with a gross floor area of approximately 655,000 square feet and 311 guest rooms. It offers a wide range of amenities including fitness centre, sauna and spa facilities, as well as 5 restaurants and bars boasting fine cuisines from all around the world. In addition, it offers gaming tables in the mass market hall and slot machines. With strong commitment to providing guests with unparalleled hospitality experience, the Group delivers consistently top-quality services that translate into high levels of customer satisfaction and loyalty.

About Inn Hotel

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

Hotels and Serviced Apartments Revenue

With the revival of hospitality demand and the Group's expanded portfolio of serviced apartments, revenue from hotels and serviced apartments increased by 62.3% to HK\$330.1 million (2023: HK\$203.4 million) during the Year, accounting for 41.8% (2023: 69.9%) of the Group's total revenue. This revenue comprised room revenue of HK\$166.2 million (2023: HK\$85.2 million), food and beverage revenue of HK\$114.5 million (2023: HK\$74.0 million), and rental income and other revenue of HK\$49.4 million (2023: HK\$44.2 million).

Gaming Revenue

Due to the rebound in consumption sentiment and entertainment demand during the Year, the Group's gaming revenue surged over 423.6% to HK\$459.2 million (2023: HK\$87.7 million), accounting for 58.2% (2023: 30.1%) of the Group's total revenue.

OUTLOOK

Supported by the Hong Kong government's initiatives and promotional efforts, various international activities and mega events will be rolled out to enhance Hong Kong's offerings and attractiveness, solidifying Hong Kong's position as an international tourist destination. There is now comprehensive infrastructure that enables more convenient and efficient transportation options for Mainland Chinese tourists, making it easier for them to visit Hong Kong and experience its unique culture and hot spots. Particularly in light of the expanding middle class, the Group believes that outbound tourism from Mainland China will continue growing.

Macau is the world's largest gaming market and a leading leisure and entertainment hub in Asia. It is not just popular with Mainland Chinese tourists, but also tourists from Hong Kong and Taiwan, as well as other countries in Asia. With the enhanced transportation infrastructure connecting to nearby cities and Macau's diversified leisure offerings and distinctive attractions, the Group is optimistic about the sustainable long-term growth of the Macau market.

The Group will continue strengthening its market presence by enhancing the guest experience, implementing better customer segmentation and capitalising on its brand reputation, which is spearheaded by its experienced management team with a proven track record in hospitality services.

FINANCIAL AND OTHER INFORMATION

Capital Structure, Liquidity and Financial Resources

The Group continued to maintain a strong financial position with aggregate of bank balances and cash, short-term bank deposits and pledged bank deposits of HK\$645.8 million (2023: HK\$503.3 million) as at 31 March 2024, which were mainly denominated in Hong Kong dollar. The Group funded its operations and capital expenditure by cash generated from its operations and deposits reserved at the banks. During the Year, the Group was not exposed to significant foreign exchange rates as most of the Group's assets, liabilities and transactions were transacted at and denominated in the functional currency of its foreign operations.

The Group's current assets and current liabilities as at 31 March 2024 were HK\$705.4 million (2023: HK\$566.8 million) and HK\$200.8 million (2023: HK\$253.2 million), respectively. As at 31 March 2024, the advances from non-controlling interests of subsidiaries of the Company totalled HK\$39.5 million (2023: HK\$39.5 million), which were denominated in Hong Kong dollar, unsecured and interest-free, among which HK\$39.0 million was repayable at the discretion of non-controlling interests and availability of surplus fund of a subsidiary, and the remaining HK\$0.5 million was repayable by another subsidiary after payment of all operating expenses and payables including but not limited to bank loans and third party loans which are due for repayment together with the accrued interest. The Group was in a net cash position as at 31 March 2024 and hence its gearing ratio (calculated as net debt divided by total equity) was zero (2023: zero).

Pledge of Assets

As at 31 March 2024, assets with carrying values of approximately HK\$600.1 million (2023: HK\$613.2 million) were pledged to a bank as security for a banking facility of HK\$419.7 million (2023: HK\$408.7 million). The facility remained undrawn and available as at 31 March 2024 and 31 March 2023. In addition, the Group has a bank deposit of HK\$30.8 million (2023: HK\$65.9 million) pledged as security deposit for obtaining a bank guarantee in the amount of approximately Macau Patacas (“MOP”) 30.9 million (equivalent to HK\$30.0 million) (2023: MOP64.5 million (equivalent to HK\$62.6 million)) in favour of SJM Resorts, S.A. (“SJM”) for the Group's fulfilment of all its obligations, as stipulated under the service agreement and the addendum between the Group and SJM. As at 31 March 2024, another bank deposit of HK\$0.3 million (2023: HK\$0.3 million) was pledged as security deposit for the use of ferry ticket equipment provided by a third party.

EVENT AFTER THE REPORTING PERIOD

Proposed Acquisition of Property Interests

On 24 May 2024, an indirect non-wholly owned subsidiary of the Company entered into a sale and purchase agreement with a direct wholly-owned subsidiary of Emperor International Holdings Limited (“**Emperor International**”) (“**Vendor**”) to acquire the entire issued share capital of Star Omen Limited (“**Star Omen**”) and its loan due from the Vendor (“**Transaction**”). Star Omen and its subsidiaries (collectively referred to as “**Star Omen Group**”) mainly own a property situated at Nos. 20–26 Old Bailey Street & No. 11 Chancery Lane, Central, Hong Kong, and through the acquisition of Star Omen Group, the Group would acquire the property, which is at an agreed value of HK\$700.0 million by both parties. Subject to fulfillment of conditions precedent, Star Omen Group will become indirect non-wholly owned subsidiaries of the Company upon completion of the acquisition. Details of the Transaction were set out in the joint announcement of the Company and Emperor International dated 24 May 2024. As at the date of this announcement, the Transaction has not yet been completed and is subject to the approval of the Company’s independent shareholders at a special general meeting tentatively to be held in July 2024.

EMPLOYEES AND REMUNERATION POLICY

The Group’s number of employees as at 31 March 2024 was 630 (2023: 517). Total staff costs including Directors’ remuneration and the other staff costs (which included severance payments) for the Year were HK\$296.2 million (2023: HK\$257.4 million). Each employee’s remuneration was determined in accordance with individual’s responsibilities, competence and skills, experience and performance, as well as market pay levels. Staff benefits include medical and life insurance, retirement benefits and other competitive fringe benefits.

To provide incentive or reward to the staff, the Company has adopted a share option scheme, particulars of which will be set out in the section headed “Share Options Scheme” in notes to the consolidated financial statements of the Company’s annual report for the Year.

FINAL DIVIDEND

The Board is pleased to recommend the payment of a final dividend of HK\$0.015 (2023: Nil) per share (“**Final Dividend**”) for the Year, subject to the approval of the shareholders at the forthcoming annual general meeting of the Company (“**AGM**”) to be held on 20 August 2024 (Tuesday). If being approved, the Final Dividend will be paid on 19 September 2024 (Thursday) to shareholders whose names appear on the register of members of the Company on 28 August 2024 (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 14 August 2024 (Wednesday)
AGM 20 August 2024 (Tuesday)

For ascertaining shareholders' entitlement to the proposed Final Dividend

Latest time to lodge transfers 4:30 p.m. on 26 August 2024 (Monday)
Book close dates 27 August 2024 (Tuesday) to
28 August 2024 (Wednesday) (both days
inclusive)
Record date 28 August 2024 (Wednesday)
Final Dividend payment date 19 September 2024 (Thursday)

In order to qualify for the right to attend and vote at the AGM and for the entitlement to the proposed Final Dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's Hong Kong Branch Share Registrar, Tricor Secretaries Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration before the above respective latest time.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2024

	Notes	2024 HK\$'000	2023 HK\$'000
Revenue			
Contracts with customers	3(a)	740,737	260,673
Leases	3(b)	48,525	30,446
Total revenue		789,262	291,119
Cost of sales		(36,429)	(23,061)
Cost of hotel and gaming operations		(432,154)	(370,722)
Direct operating expenses in respect of leasing investment properties		(12,830)	(13,025)
Gross profit (loss)		307,849	(115,689)
Other income		20,741	19,321
Other gains and losses	5	(78)	21,319
Impairment losses reversed on property, plant and equipment		—	31,781
Fair value changes of investment properties		(20,300)	19,700
Impairment allowance for trade receivables		—	(590)
Selling and marketing expenses		(146,369)	(35,133)
Administrative expenses		(125,360)	(120,811)
Finance costs	6	(1,073)	(1,109)
Profit (loss) before taxation	7	35,410	(181,211)
Taxation credit	8	27,421	53,214
Profit (loss) and total comprehensive income (expense) for the year		<u>62,831</u>	<u>(127,997)</u>
Profit (loss) and total comprehensive income (expense) for the year attributable to:			
Owners of the Company		60,885	(98,192)
Non-controlling interests		1,946	(29,805)
		<u>62,831</u>	<u>(127,997)</u>
Earnings (loss) per share			
Basic	10	<u>HK\$0.05</u>	<u>HK\$(0.08)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2024

	<i>Notes</i>	2024 HK\$'000	2023 HK\$'000
Non-current assets			
Investment properties		1,485,900	1,506,200
Property, plant and equipment		2,253,841	2,361,668
Right-of-use assets		384,898	401,922
Deposits paid for acquisition of property, plant and equipment		1,563	1,162
Pledged bank deposit		30,811	—
		4,157,013	4,270,952
Current assets			
Inventories		12,256	11,312
Trade and other receivables	11	78,114	52,145
Pledged bank deposits		311	66,187
Short-term bank deposits		14,900	56,789
Bank balances and cash		599,790	380,330
		705,371	566,763
Current liabilities			
Trade and other payables	12	102,518	96,744
Amounts due to fellow subsidiaries		6,367	21,889
Amounts due to non-controlling interests of subsidiaries		39,523	39,523
Taxation payable		51,733	94,255
Lease liabilities		611	802
		200,752	253,213
Net current assets		504,619	313,550
Total assets less current liabilities		4,661,632	4,584,502

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2024

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Non-current liabilities		
Lease liabilities	26,278	26,444
Deferred taxation	63,200	48,735
	<u>89,478</u>	<u>75,179</u>
Net assets	<u><u>4,572,154</u></u>	<u><u>4,509,323</u></u>
Capital and reserves		
Share capital	119	119
Reserves	3,752,578	3,691,693
Equity attributable to owners of the Company	3,752,697	3,691,812
Non-controlling interests	819,457	817,511
Total equity	<u><u>4,572,154</u></u>	<u><u>4,509,323</u></u>

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2024

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Cash flows from operating activities		
Profit (loss) before taxation	35,410	(181,211)
Adjustments for:		
Interest income	(19,311)	(8,853)
Interest expenses	948	952
Fair value changes of investment properties	20,300	(19,700)
Impairment allowance for trade receivables	—	590
Impairment losses reversed on property, plant and equipment	—	(31,781)
Depreciation of property, plant and equipment	120,457	113,572
Depreciation of right-of-use assets	17,024	17,008
Loss (gain) on disposal of property, plant and equipment	54	(1,291)
Gain on disposal of a subsidiary	—	(1,434)
Gain on lease modification	—	(381)
	<hr/>	<hr/>
Operating cash flows before movements in working capital	174,882	(112,529)
(Increase) decrease in inventories	(944)	702
(Increase) decrease in trade and other receivables	(24,706)	78,257
Increase (decrease) in trade and other payables	14,803	(31,463)
(Decrease) increase in amounts due to fellow subsidiaries	(15,522)	17,349
	<hr/>	<hr/>
Cash generated from (used in) operations	148,513	(47,684)
Income tax paid	(636)	—
	<hr/>	<hr/>
Net cash from (used in) operating activities	147,877	(47,684)

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2024

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Cash flows from investing activities		
Withdrawal of short-term bank deposits	244,234	336,703
Withdrawal of a pledged bank deposit	66,555	355
Interest received	18,048	9,669
Proceeds from disposal of property, plant and equipment	76	1,747
Acquisition of investment properties	—	(490,000)
Placement of short-term bank deposits	(202,345)	(79,153)
Placement of pledged bank deposits	(31,490)	(2,054)
Acquisition of property, plant and equipment	(20,994)	(14,011)
Deposits paid for acquisition of property, plant and equipment	(1,196)	(522)
Net cash outflow from disposal of a subsidiary	—	(100)
	<u>72,888</u>	<u>(237,366)</u>
Net cash from (used in) investing activities		
Cash flows from financing activities		
Payment on repurchase of shares	—	(4,389)
Interest paid	(948)	(952)
Repayments of lease liabilities	(357)	(354)
Transaction costs attributable to repurchase of shares	—	(22)
	<u>(1,305)</u>	<u>(5,717)</u>
Net cash used in financing activities		
Net increase (decrease) in cash and cash equivalents	219,460	(290,767)
Cash and cash equivalents at the beginning of the reporting period	<u>380,330</u>	<u>671,097</u>
Cash and cash equivalents at the end of the reporting period, representing bank balances and cash	<u><u>599,790</u></u>	<u><u>380,330</u></u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

1. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT POLICIES

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

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

Save as described in note 2, the accounting policies adopted for preparation of the consolidated financial statements are consistent with those followed in the preparation of the Company’s consolidated financial statements for the year ended 31 March 2023.

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRSs

New and amendments to HKFRSs that are mandatorily effective for the Year

In the current year, the Group has applied the following new and amendments to HKFRSs issued by HKICPA for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 April 2023 for the preparation of the consolidated financial statements:

HKFRS 17 (including the October 2020 and February 2022 Amendments to HKFRS 17)	Insurance Contracts
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to HKAS 12	International Tax Reform — Pillar Two Model Rules
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRSs (Continued)
New and amendments to HKFRSs that are mandatorily effective for the Year
(Continued)

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

The Group has not early applied any new or amended HKFRSs that have been issued but are not yet effective for the Year.

3. REVENUE

(a) Contracts with customers

	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
An analysis of the Group's revenue is as follows:		
Recognised over time:		
Gaming revenue:		
— Service income from gaming transactions in mass market hall	441,491	80,756
— Service income from gaming transactions in slot machine hall	17,659	6,294
— Service income from gaming transactions in VIP room	—	690
Hotel revenue:		
— Hotel room income	166,247	85,168
— Others	871	13,765
	626,268	186,673
Recognised at a point in time:		
Hotel revenue:		
— Food and beverage sales	114,469	74,000
Revenue from contracts with customers	740,737	260,673
Gaming revenue	459,150	87,740
Hotel revenue	281,587	172,933
Revenue from contracts with customers	740,737	260,673

3. REVENUE (Continued)

(a) Contracts with customers (Continued)

On 15 June 2022, Tin Hou Limited (“**Tin Hou**”), an indirect wholly-owned subsidiary of the Company, entered into an agreement with SJM for the provision of the hotel rooms, catering and other ancillary services for the gaming operation run by SJM in Grand Emperor Hotel from 27 June 2022 to 31 December 2022, and on 30 December 2022, Tin Hou, entered into an agreement with SJM for the provision of gaming-related marketing and public relation services to SJM in Grand Emperor Hotel for a term of 3 years commencing from 1 January 2023.

Transaction price allocated to the remaining performance obligations for contracts with customers

All sales or services rendered from gaming and hotel transactions are for contracts with an original period of one year or less. As a practical expedient under HKFRS 15 *Revenue from Contracts with Customers*, the transaction price allocated to these remaining performance obligations is not disclosed.

(b) Leases

	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
Total revenue arising from leases:		
Operating lease payments that are fixed	<u><u>48,525</u></u>	<u><u>30,446</u></u>

4. SEGMENT INFORMATION

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

The segment information reported externally is analysed on the basis of the composition of its reporting segments by geographical operations, which are Macau operations and Hong Kong operations, respectively. The CODM are of the view that the presentation of the operating segment information better reflects the Group’s operations and this is consistent with the internal information regularly reviewed by the CODM for the purposes of resources allocation and assessment of performance.

The Group’s operating segments are classified as (i) Macau operations and (ii) Hong Kong operations. The details of the Group’s operating segments are as follows:

(i) Macau operations

Operations in Macau derive revenues from gaming, hotel and leasing transactions: (a) gaming revenue from services rendered for mass market hall, slot machine hall and VIP room transactions and provision of gaming-related marketing and public relation services for Grand Emperor Hotel, (b) hotel revenue from sales or services rendered in Grand Emperor Hotel and Inn Hotel, and (c) leasing revenue from investment properties in these hotels.

(ii) Hong Kong operations

Operations in Hong Kong derive revenues from hotel and leasing transactions: (a) hotel revenue from sales or services rendered in a hotel and (b) leasing revenue from investment properties in the hotel and serviced apartments.

4. SEGMENT INFORMATION (Continued)

The CODM assess the performance of individual operating and reportable segments based on a measure of adjusted profit (loss) before interest, tax, depreciation, impairment losses reversed on property, plant and equipment, exchange losses at corporate level and fair value changes of investment properties (“Adjusted EBITDA (LBITDA)”).

Information regarding the above segments is reported below:

Segment revenues and results

For the year ended 31 March 2024

	Macau operations HK\$'000	Hong Kong operations HK\$'000	Total HK\$'000
Segment revenue			
Gaming revenue	459,150	—	459,150
Hotel revenue	171,433	110,154	281,587
Leasing revenue	18,925	29,600	48,525
	<hr/>	<hr/>	<hr/>
Total	649,508	139,754	789,262
	<hr/>	<hr/>	<hr/>
Segment result based on the Adjusted EBITDA	151,936	23,095	175,031
	<hr/>	<hr/>	
Bank interest income			19,311
Depreciation of property, plant and equipment			(120,457)
Depreciation of right-of-use assets			(17,024)
Exchange losses at corporate level			(78)
Fair value changes of investment properties			(20,300)
Finance costs			(1,073)
			<hr/>
Profit before taxation			35,410
			<hr/>

4. SEGMENT INFORMATION (Continued)

Segment revenues and results (Continued)

For the year ended 31 March 2023

	Macau operations HK\$'000	Hong Kong operations HK\$'000	Total HK\$'000
Segment revenue			
Gaming revenue	87,740	—	87,740
Hotel revenue	94,079	78,854	172,933
Leasing revenue	7,549	22,897	30,446
	<u>189,368</u>	<u>101,751</u>	<u>291,119</u>
Segment result based on the Adjusted (LBITDA) EBITDA	<u>(110,207)</u>	<u>408</u>	(109,799)
Bank interest income			8,853
Depreciation of property, plant and equipment			(113,572)
Depreciation of right-of-use assets			(17,008)
Impairment losses reversed on property, plant and equipment			31,781
Exchange losses at corporate level			(57)
Fair value changes of investment properties			19,700
Finance costs			<u>(1,109)</u>
Loss before taxation			<u>(181,211)</u>

Other than the segment information disclosed above, there was no other information reviewed by the CODM for the year ended 31 March 2024 and 31 March 2023.

Segment assets and liabilities

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

4. SEGMENT INFORMATION (Continued)

Geographical information

The Group's operations are located in Macau and Hong Kong.

The Group's revenue from external customers and information about its non-current assets, other than a pledged bank deposit, 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	
	2024	2023	2024	2023
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Macau	649,508	189,368	1,751,126	1,811,141
Hong Kong	139,754	101,751	2,375,076	2,459,811
	<u>789,262</u>	<u>291,119</u>	<u>4,126,202</u>	<u>4,270,952</u>

Information about major customer

During the Year, revenue derived from one (2023: one) customer which contributed over 10% of the Group's total revenue amounted to HK\$459,150,000 (2023: HK\$100,536,000). The revenue related to Macau operations (2023: Macau operations).

5. OTHER GAINS AND LOSSES

	2024	2023
	HK\$'000	HK\$'000
Net foreign exchange losses	(78)	(57)
Forfeiture of unredeemed commission expenses		
in gaming operation (Note)	—	22,305
Others	—	(929)
	<u>(78)</u>	<u>21,319</u>

Note: The amount represented the forfeiture of commission payable to gaming patrons after the expiry of the redemption period.

6. FINANCE COSTS

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Interest on lease liabilities	948	952
Bank charges	125	157
	<u>1,073</u>	<u>1,109</u>

7. PROFIT (LOSS) BEFORE TAXATION

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Profit (loss) before taxation has been arrived at after charging:		
Commission expenses in gaming operation (included in selling and marketing expenses)	69,706	10,324
Depreciation of property, plant and equipment	120,457	113,572
Depreciation of right-of-use assets	17,024	17,008
Loss on disposal of property, plant and equipment	54	—
and after crediting:		
Bank interest income (included in other income)	19,311	8,853
Government subsidies (included in other income) (<i>Note</i>)	—	3,859
Gain on disposal of a subsidiary (included in other income)	—	1,434
Gain on disposal of property, plant and equipment	<u>—</u>	<u>1,291</u>

Note: The government subsidies recognised during the year ended 31 March 2023 represented certain Covid-19-related subsidies from Macau and Hong Kong governments with no unfulfilled condition.

8. TAXATION CREDIT

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Current tax:		
Macau Complementary Tax (“CT”)	(3,073)	(862)
Hong Kong Profits Tax	<u>(980)</u>	<u>(150)</u>
	<u>(4,053)</u>	<u>(1,012)</u>
Reversal of CT provision in respect of prior years	<u>45,478</u>	<u>52,371</u>
Over (under) provision in prior years:		
CT	467	—
Hong Kong Profits Tax	<u>(6)</u>	<u>—</u>
	<u>461</u>	<u>—</u>
Deferred taxation	<u>(14,465)</u>	<u>1,855</u>
Taxation credit	<u><u>27,421</u></u>	<u><u>53,214</u></u>

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

Pursuant to the CT law, the statutory right to issue CT assessment on the estimated assessable profit in a year of assessment will expire 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\$45,478,000 for the 2018 year of assessment (2023: HK\$52,371,000 for the 2017 year of assessment) accordingly.

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

9. DIVIDENDS

The Board has recommended the payment of the Final Dividend of HK\$0.015 (2023: Nil) per share for the Year amounting to approximately HK\$17,830,000 (2023: Nil), which is subject to approval by the shareholders of the Company at the AGM.

10. EARNINGS (LOSS) PER SHARE

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

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Profit (loss)		
Profit (loss) for the year attributable to owners of the Company for the purpose of basic earnings (loss) per share	<u>60,885</u>	<u>(98,192)</u>
	2024	2023
Number of shares		
Weighted average number of ordinary shares in issue for the purpose of basic earnings (loss) per share	<u>1,188,490,983</u>	<u>1,192,444,010</u>

Diluted earnings (loss) per share is not presented as there was no dilutive potential ordinary share for both years.

11. TRADE AND OTHER RECEIVABLES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Trade receivables	70,653	54,430
Less: Impairment allowance	<u>(21,469)</u>	<u>(21,469)</u>
	49,184	32,961
Other receivables and prepayments	<u>28,930</u>	<u>19,184</u>
	<u>78,114</u>	<u>52,145</u>

11. TRADE AND OTHER RECEIVABLES (Continued)

As at 31 March 2024, trade receivables comprise receivables from contracts with customers and lease receivables of HK\$47,488,000 (2023: HK\$32,240,000) and HK\$1,696,000 (2023: HK\$721,000) respectively.

As at 1 April 2022, trade receivables from contracts with customers and lease receivables amounted to HK\$19,401,000 and HK\$4,755,000 respectively.

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

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
0–30 days	35,775	19,388
31–60 days	290	52
61–90 days	149	249
91–180 days	15	294
Over 180 days	12,955	12,978
	<u>49,184</u>	<u>32,961</u>

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

As at 31 March 2024, included in the Group's trade receivables balance are debtors with aggregate carrying amount of HK\$13,119,000 (2023: HK\$13,521,000) which were past due at the end of the reporting period. Out of the past due balances, HK\$12,970,000 (2023: HK\$13,272,000) has been past due 90 days or more and is not considered as in default as the Directors are of the opinion that the balances are still considered recoverable due to long-term/ongoing relationship or agreed settlement plan with the customers.

12. TRADE AND OTHER PAYABLES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Trade payables	9,420	10,722
Construction payables and accruals	4,524	13,553
Other payables and accruals	64,172	52,081
Accrued staff costs	24,402	20,388
	<u>102,518</u>	<u>96,744</u>

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

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
0–30 days	5,684	6,565
31–60 days	3,510	3,654
61–90 days	226	158
91–180 days	—	330
Over 180 days	—	15
	<u>9,420</u>	<u>10,722</u>

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

13. EVENT AFTER THE REPORTING PERIOD

On 24 May 2024, an indirect non-wholly owned subsidiary of the Company entered into a sale and purchase agreement with the Vendor to acquire the entire issued share capital of Star Omen and its loan due to the Vendor. Star Omen Group mainly owns a property situated at Nos. 20–26 Old Bailey Street & No. 11 Chancery Lane, Central, Hong Kong, and through the acquisition of Star Omen Group, the Group would acquire the property, which is at an agreed value of HK\$700,000,000 by both parties. Subject to fulfillment of conditions precedent, Star Omen Group will become indirect non-wholly owned subsidiaries of the Company upon completion of the acquisition. As at the date of this announcement, the Transaction has not yet been completed.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income, consolidated statement of cash flows and the related notes thereto for the Year as set out in the preliminary announcement have been agreed by the Company's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the audited consolidated financial statements of the Group for the Year as approved by the Board on 24 June 2024. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

REVIEW OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR

The Audit Committee of the Company had reviewed the Group's audited consolidated financial statements for the Year in conjunction with the Company's independent auditor, Messrs. Deloitte Touche Tohmatsu. Based on this review and discussion with the management of the Company, the Audit Committee was satisfied that the audited consolidated financial statements were prepared in accordance with applicable accounting standards and fairly presented the Group's financial position as at 31 March 2024 and the annual results for the Year.

CORPORATE GOVERNANCE

Corporate Governance Code

The Company has complied with all the code provisions of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules throughout the Year.

Model Code for Securities Transactions

The Company has adopted its own code of conduct regarding securities transactions by Directors ("**EEH Securities Code**") on no less exacting terms than the required standards as set out in Appendix C3 to the Listing Rules regarding the Model Code for Securities Transactions by Directors of Listed Issuers ("**Model Code**"). Having made specific enquiry of the Directors, all of them confirmed that they had complied with the required standard of dealings as set out in the EEH Securities Code throughout the Year.

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

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

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

PUBLICATION OF THE ANNUAL RESULTS AND ANNUAL REPORT

The annual results announcement is published on the websites of the Stock Exchange (<https://www.hkexnews.hk>) and the Company (<https://www.Emp296.com>). The annual report of the Company will be published on the aforesaid websites in due course.

II. CHANGE IN COMPOSITION OF BOARD COMMITTEES

The Board also announces that with effect from 20 August 2024, Ms. Fan Man Seung, Vanessa, currently an Executive Director, will be appointed as the Chairperson of the Executive Committee and a member of the Remuneration Committee of the Company in place of Mr. Wong Chi Fai, but Mr. Wong Chi Fai as Executive Director will remain as a member of the Executive Committee of the Company.

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

Hong Kong, 24 June 2024

As at the date of this announcement, the Board comprises:

<i>Non-executive Director:</i>	Ms. Luk Siu Man, Semon
<i>Executive Directors:</i>	Ms. Fan Man Seung, Vanessa Mr. Wong Chi Fai
<i>Independent Non-executive Directors:</i>	Ms. Kwan Shin Luen, Susanna Ms. Lai Ka Fung, May Mr. Yeung Man Sun