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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)

**BUSINESS UPDATE –
NON-RENEWAL OF
THE SERVICE AGREEMENTS WITH SJM**

This announcement is made by Emperor Entertainment Hotel Limited (the “**Company**” together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

Reference is made to the announcement of the Company dated 13 May 2020 (the “**Announcement**”) in relation to the provision of management and promotion services to SJM Resorts, Limited (“**SJM**”) in Grand Emperor Hotel under the 2010 Service Agreement and/or the 1st Addendum (as defined in the Announcement, collectively, the “**Service Agreements**”) which shall expire on 26 June 2022 (the “**Expiry Date**”).

The Group’s casino in Grand Emperor Hotel is operated under the gaming concession held by SJM. As the Group has been facing a tough business operating environment arising from the Covid-19 pandemic over the past two years, which resulted in the segment losses of the Group for both the year ended 31 March 2021 and the six months ended 30 September 2021, and considering the gloomy outlook of the high-end gaming segment, the board of directors (the “**Board**”), after careful and due consideration, has resolved not to renew the Service Agreements with SJM and to cease the gaming operation of the Group upon the Expiry Date, while the hospitality business in Grand Emperor Hotel retains. The Board believes that it is in the best interest of the Company and its shareholders as a whole.

Apart from the gaming business operation, the Group currently also engages in hospitality business in Hong Kong, namely (i) The Emperor Hotel, (ii) The Unit Serviced Apartments, and (iii) MORI MORI Serviced Apartments, as well as in Macau, namely (iv) Grand Emperor Hotel, and (v) Inn Hotel Macau, in which the abovementioned (i), (ii), and (iii) were newly acquired by the Group in May 2021 in order to diversify the business lines and broaden the revenue base. For the six months ended 30 September 2021, the hospitality business accounted for approximately 33.0% of the total revenue and approximately 20.0% only of the total segment loss. In addition, the Group maintained a strong and stable financial position with bank balances and cash of approximately HK\$940 million as at 30 September 2021. The Board shall explore suitable opportunities to utilise the financial resources with an aim of expansion of its hospitality business. Given the strategic position of Hong Kong and Macau within the Greater Bay Area, the Board is positive towards the outlook of the hospitality sector in the long run after the ease of the anti-pandemic measures and the reopen of border.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 1 April 2022

As at the date hereof, the Board comprises:

Non-executive Director: Ms. Luk Siu Man, Semon

Executive Directors: Mr. Wong Chi Fai
Ms. Fan Man Seung, Vanessa

Independent Non-executive Directors: Mr. Yu King Tin
Ms. Kwan Shin Luen, Susanna
Ms. Lai Ka Fung, May