

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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

(Incorporated in Bermuda with limited liability)

(Stock Code: 296)

2022/2023 ANNUAL RESULTS ANNOUNCEMENT

The board of directors (the “**Board**” or “**Directors**”) of Emperor Entertainment Hotel 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 2023 (the “**Year**”).

RESULTS

The Group’s total revenue decreased to HK\$291.1 million (2022: HK\$415.9 million) during the Year, among which the revenue from hotels and serviced apartments increased by 31.0% to HK\$203.4 million (2022: HK\$155.3 million), accounting for 69.9% (2022: 37.3%) of the total revenue. A reversal of impairment losses of assets of HK\$31.8 million (2022: impairment losses of HK\$271.1 million) and a fair value gain of investment properties of HK\$19.7 million (2022: fair value loss of HK\$143.0 million) were recorded during the Year. Hence, loss for the Year attributable to owners of the Company significantly narrowed to HK\$98.2 million (2022: HK\$528.3 million). Basic loss per share was HK\$0.08 (2022: HK\$0.44).

MANAGEMENT DISCUSSION AND ANALYSIS

MARKET REVIEW

Benefiting from the reopening of borders between Macau, Hong Kong and mainland China, and lifting of the inbound quarantine measures for all travellers in early 2023, the numbers of visitor arrivals to Hong Kong and Macau increased substantially – surging by over 300 times and more than doubling, respectively, from the first quarter of 2022 to the first quarter of 2023. Both personal travel and business travel have resumed, and there has been a notable rebound in consumption and entertainment sentiments. All these factors demonstrated the return of hospitality and gaming demand in the regions during the Year.

BUSINESS REVIEW

The Group currently engages in provision of hospitality and entertainment services, which cover 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, with the latter newly acquired in September 2022. For details of this acquisition, see under the “Financial and Other Information” section below; 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 expatriates, 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 areas 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 MTR 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 287 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 expansion of its serviced apartments portfolio and the strong recovery of the hospitality sector, the revenue from the hotels and serviced apartments increased by 31.0% to HK\$203.4 million (2022: HK\$155.3 million) during the Year, accounting for 69.9% (2022: 37.3%) of the Group's total revenue, which included room revenue of HK\$85.2 million (2022: HK\$53.3 million), food and beverage revenue of HK\$74.0 million (2022: HK\$77.4 million), and rental income and other revenue of HK\$44.2 million (2022: HK\$24.6 million).

Gaming Revenue

Since the gaming operation was run by SJM Resorts, S.A. ("SJM") during a certain period of the Year, the gaming revenue decreased to HK\$87.7 million (2022: HK\$260.6 million), accounting for 30.1% (2022: 62.7%) of the Group's total revenue.

OUTLOOK

Hong Kong remains a key gateway for access to China's capital market and continues playing an important role within the Greater Bay Area, while Macau is regarded as an entertainment hub with a substantial number of world renowned integrated resorts. Both regions are well positioned to welcome mainland Chinese and international visitors. The Group believes the future economic growth of both regions will benefit the tourist and hospitality industries, enabling them to deliver long-term positive returns.

To thrive in a highly competitive market in both regions, the Group will continue strengthening its market presence by enhancing the guest experience, implementing better customer segmentation, and capitalising on its brand awareness arising from its long establishment and popularity in Chinese-speaking communities, while leveraging the synergies resulting from being part of Emperor Group. The management will closely monitor market developments, and seek to react in advance to any foreseeable changes in the industry.

FINANCIAL AND OTHER INFORMATION

Capital Structure, Liquidity and Financial Resources

During the Year, the Group utilised approximately HK\$490.0 million for the acquisition of The Unit Davis, hence its aggregate of bank balances and cash, short-term bank deposits and pledged bank deposits decreased to HK\$503.3 million (2022: HK\$1,049.9 million) as at 31 March 2023, which was mainly denominated in Hong Kong dollar. The Group continued to maintain a healthy financial position and 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 2023 were HK\$566.8 million (2022: HK\$1,129.9 million) and HK\$253.2 million (2022: HK\$309.2 million), respectively. As at 31 March 2023, the advances from non-controlling interests of subsidiaries of the Company totalled HK\$39.5 million (2022: 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 2023 and hence its gearing ratio (calculated as net debt divided by total equity) was zero (2022: zero).

During the Year, the Company had repurchased 8,815,000 shares (the “**Repurchased Shares**”) of its own shares from the market using internal resources, at an aggregate consideration of HK\$4.4 million, and an average price of HK\$0.498 per share. The Repurchased Shares had been cancelled during the Year, and hence the total number of issued shares of the Company right after its cancellation was reduced by about 0.7% to 1,188,490,983 (2022: 1,197,305,983) shares and its issued share capital was HK\$119,000 (2022: HK\$120,000) as at 31 March 2023. Having considered the Group's strong cash reserves, the Directors believe the share repurchases would enhance value to the Company's shareholders and benefit the Company and its shareholders as a whole.

Pledge of Assets

As at 31 March 2023, assets with carrying values of approximately HK\$613.2 million (2022: HK\$1.7 billion) were pledged to a bank (2022: two banks) as security for a banking facility of HK\$408.7 million (2022: a total of HK\$520.0 million). The facilities remained undrawn and available as at 31 March 2023 and 31 March 2022. In addition, the Group has a bank deposit of HK\$65.9 million (2022: HK\$64.1 million) pledged as security deposit for obtaining a bank guarantee in the amount of approximately Macau Patacas 64.5 million (equivalent to HK\$62.6 million) in favour of SJM for the Group's fulfilment of all its obligations, as stipulated under the service agreements and the addendum between the Group and SJM. As at 31 March 2023, another bank deposit of HK\$0.3 million (2022: HK\$0.4 million) was pledged as security deposit for the use of ferry ticket equipment provided by a third party.

Hotel Rooms, Catering and Ancillary Services Agreement with SJM

On 15 June 2022, 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 to SJM in Grand Emperor Hotel for the period from 27 June 2022 to 31 December 2022. This enabled the Group to maintain a stable income stream during the period. Details of the agreement were set out in the joint announcement of the Company and Emperor International Holdings Limited (“**Emperor International**”), the parent company of the Company, dated 15 June 2022.

Acquisition of Asset

On 27 September 2022, the Group completed the acquisition of the property interests of The Unit Davis via the acquisition of the entire interest of Ever Explore Holdings Limited and its subsidiaries (collectively referred to as “**Ever Explore Group**”) from a direct wholly-owned subsidiary of Emperor International at a consideration of HK\$490.0 million (the “**Acquisition**”). Details of the Acquisition were set out in the joint announcement of the Company and Emperor International dated 15 July 2022 and the Company’s circular dated 25 August 2022. After completion of the Acquisition, the Group widened its revenue base and expanded its market presence by enriching its assets portfolio. The Unit Davis has commenced operation in August 2022; the occupancy rate was over 95.0% during the Year.

Service Agreement with SJM

On 30 December 2022, an indirect wholly-owned subsidiary of the Company entered into an agreement with SJM for the provision of services including but not limited to selling, promotion, publicity, management and customer development to SJM in Grand Emperor Hotel for a term of 3 years commencing 1 January 2023. This was based on consideration of clearer visibility regarding the future development of Macau’s gaming industry, following the Macau Government’s announcement of awarding 10-year gaming concessions to six casino operators including SJM. Details of the agreement were set out in the joint announcement and the supplemental joint announcement of the Company and Emperor International dated 30 December 2022 and 21 February 2023 respectively.

EMPLOYEES AND REMUNERATION POLICY

The Group’s number of employees as at 31 March 2023 was 517 (2022: 876). Total staff costs including Directors’ remuneration and the other staff costs (which included severance payments) for the Year were approximately HK\$257.4 million (2022: HK\$343.6 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” of the Company’s annual report for the Year.

FINAL DIVIDEND

The Board has resolved not to recommend any final dividend for the Year (2022: Nil).

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2023

	Notes	2023 HK\$'000	2022 HK\$'000
Revenue			
Contracts with customers	3(a)	260,673	391,860
Leases	3(b)	30,446	24,034
Total revenue		291,119	415,894
Cost of sales		(23,061)	(25,075)
Cost of hotel and gaming operations		(370,722)	(467,157)
Direct operating expenses in respect of leasing of investment properties		(13,025)	(6,929)
Gross loss		(115,689)	(83,267)
Other income		19,321	19,602
Other gains and losses	5	21,319	3,893
Impairment losses reversed (recognised) on property, plant and equipment, right-of-use assets and goodwill		31,781	(271,120)
Fair value changes of investment properties		19,700	(143,000)
Impairment allowance for trade receivables		(590)	–
Selling and marketing expenses		(35,133)	(73,093)
Administrative expenses		(120,811)	(175,992)
Finance costs	6	(1,109)	(1,908)
Loss before taxation	7	(181,211)	(724,885)
Taxation credit	8	53,214	80,640
Loss and total comprehensive expense for the year		(127,997)	(644,245)
Loss and total comprehensive expense for the year attributable to:			
Owners of the Company		(98,192)	(528,317)
Non-controlling interests		(29,805)	(115,928)
		(127,997)	(644,245)
Loss per share			
Basic	10	HK\$(0.08)	HK\$(0.44)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2023

	Notes	2023 HK\$'000	2022 HK\$'000
Non-current assets			
Investment properties		1,506,200	996,500
Property, plant and equipment		2,361,668	2,417,802
Right-of-use assets		401,922	420,417
Deposits paid for acquisition of property, plant and equipment		1,162	1,681
Pledged bank deposit		–	64,134
		<u>4,270,952</u>	<u>3,900,534</u>
Current assets			
Inventories		11,312	12,014
Trade and other receivables	11	52,145	132,085
Pledged bank deposits		66,187	354
Short-term bank deposits		56,789	314,339
Bank balances and cash		380,330	671,097
		<u>566,763</u>	<u>1,129,889</u>
Current liabilities			
Trade and other payables	12	96,744	117,146
Amounts due to fellow subsidiaries		21,889	4,540
Amounts due to non-controlling interests of subsidiaries		39,523	39,523
Taxation payable		94,255	145,614
Lease liabilities		802	2,328
		<u>253,213</u>	<u>309,151</u>
Net current assets		<u>313,550</u>	<u>820,738</u>
Total assets less current liabilities		<u>4,584,502</u>	<u>4,721,272</u>
Non-current liabilities			
Lease liabilities		26,444	28,951
Deferred taxation		48,735	50,590
		<u>75,179</u>	<u>79,541</u>
Net assets		<u>4,509,323</u>	<u>4,641,731</u>
Capital and reserves			
Share capital		119	120
Reserves		3,691,693	3,794,295
Equity attributable to owners of the Company		<u>3,691,812</u>	<u>3,794,415</u>
Non-controlling interests		<u>817,511</u>	<u>847,316</u>
Total equity		<u>4,509,323</u>	<u>4,641,731</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2023

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 and the application of the accounting policies in respect of asset acquisitions as a result of the Acquisition, 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 2022.

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRSs

Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRSs issued by the HKICPA for the first time, which are mandatorily effective for the Group’s annual periods beginning on 1 April 2022 for the preparation of the consolidated financial statements:

Amendment to HKFRS 3	Reference to the Conceptual Framework
Amendment to HKAS 16	Property, Plant and Equipment – Proceeds before Intended Use
Amendment to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018 – 2020

The application of the 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.

New and amendments to HKFRSs in issue but not yet effective

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

HKFRS 17	Insurance Contracts ¹
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ²
Amendment to HKFRS 16	Lease Liability in Sale and Leaseback ³
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) ³
Amendments to HKAS 1	Non-current Liabilities with Covenants ³
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies ¹
Amendments to HKAS 8	Definition of Accounting Estimates ¹
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction ¹

¹ Effective for annual periods beginning on or after 1 January 2023.

² Effective for annual periods beginning on or after a date to be determined.

³ Effective for annual periods beginning on or after 1 January 2024.

The Directors anticipate that the application of all these new and amendments to HKFRSs will have no material impact on the Group’s consolidated financial statements in the foreseeable future.

3. REVENUE
(a) Contracts with customers

	2023	2022
	HK\$'000	HK\$'000
An analysis of the Group's revenue is as follows:		
Recognised over time:		
Gaming revenue:		
– Service income from gaming transactions in mass market hall	80,756	178,950
– Service income from gaming transactions in VIP room	690	65,049
– Service income from gaming transactions in slot machine hall	6,294	16,582
Hotel revenue:		
– Hotel room income	85,168	53,342
– Others	13,765	524
	186,673	314,447
Recognised at a point in time:		
Hotel revenue:		
– Food and beverage sales	74,000	77,413
Revenue from contracts with customers	260,673	391,860
Gaming revenue	87,740	260,581
Hotel revenue	172,933	131,279
Revenue from contracts with customers	260,673	391,860

During the Year, the Group ceased the provision of gaming-related marketing and public relation services to SJM in Grand Emperor Hotel under service agreements with SJM upon their expiry on 26 June 2022.

Then, on 15 June 2022, Tin Hou Limited, 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, entered into a new service 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 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, the transaction price allocated to these remaining performance obligations is not disclosed.

3. **REVENUE** (Continued)
(b) **Leases**

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Total revenue arising from leases:		
Operating lease payments that are fixed	<u>30,446</u>	<u>24,034</u>

4. **SEGMENT INFORMATION**

The 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, VIP room and slot machine hall 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.

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

4. SEGMENT INFORMATION (Continued)

Information regarding the above segments is reported below:

Segment revenues and results 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>
Total			
	<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>	<u>(109,799)</u>
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			(1,109)
			<u>(1,109)</u>
Loss before taxation			<u>(181,211)</u>

4. SEGMENT INFORMATION *(Continued)*
Segment revenues and results *(Continued)*
For the year ended 31 March 2022

	Macau operations <i>HK\$'000</i>	Hong Kong operations <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment revenue			
Gaming revenue	260,581	–	260,581
Hotel revenue	80,295	50,984	131,279
Leasing revenue	11,537	12,497	24,034
	<u>352,413</u>	<u>63,481</u>	<u>415,894</u>
Total			
Segment result based on the Adjusted LBITDA	<u>(170,573)</u>	<u>(1,185)</u>	(171,758)
Bank interest income			15,424
Depreciation of property, plant and equipment			(136,677)
Depreciation of right-of-use assets			(19,739)
Impairment losses recognised on property, plant and equipment, right-of-use assets and goodwill			(271,120)
Exchange gains at corporate level			3,893
Fair value changes of investment properties			(143,000)
Finance costs			<u>(1,908)</u>
Loss before taxation			<u>(724,885)</u>

Other than the segment information disclosed above, there was no other information reviewed by the CODM for the year ended 31 March 2023 and 31 March 2022.

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	
	2023	2022	2023	2022
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Macau	189,368	352,413	1,811,141	1,840,235
Hong Kong	101,751	63,481	2,459,811	1,996,165
	<u>291,119</u>	<u>415,894</u>	<u>4,270,952</u>	<u>3,836,400</u>

Information about major customer

During the Year, revenue derived from one (2022: one) customer which contributed over 10% of the Group's total revenue amounted to HK\$100,536,000 (2022: HK\$260,581,000). The revenue related to Macau operations (2022: Macau operations).

5. OTHER GAINS AND LOSSES

	2023	2022
	HK\$'000	HK\$'000
Forfeiture of unredeemed commission expenses in gaming operation <i>(Note)</i>	22,305	–
Net foreign exchange (losses) gains	(57)	3,893
Others	(929)	–
	<u>21,319</u>	<u>3,893</u>

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

6. FINANCE COSTS

	2023	2022
	HK\$'000	HK\$'000
Interest on:		
– bank borrowings	–	621
– lease liabilities	952	1,019
	<u>952</u>	<u>1,640</u>
Bank charges	157	268
	<u>1,109</u>	<u>1,908</u>

7. LOSS BEFORE TAXATION

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Loss before taxation has been arrived at after charging:		
Commission expenses in gaming operation (included in selling and marketing expenses)	10,324	45,904
Depreciation of property, plant and equipment	113,572	136,677
Depreciation of right-of-use assets	17,008	19,739
Loss on disposal/write-off of property, plant and equipment	–	64
and after crediting:		
Bank interest income (included in other income)	8,853	15,424
Government subsidies (included in other income) (<i>Note</i>)	3,859	2,761
Gain on disposal of a subsidiary (included in other income)	1,434	–
Gain on disposal of property, plant and equipment	1,291	–

Note: The government subsidies recognised during the year ended 31 March 2023 and 31 March 2022 represent certain Covid-19-related subsidies from Macau and Hong Kong governments with no unfulfilled condition.

8. TAXATION CREDIT

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Current year		
Macau Complementary Tax (“CT”)	(862)	(2,627)
Hong Kong Profits Tax	(150)	–
	<u>(1,012)</u>	<u>(2,627)</u>
Reversal of CT provision in respect of prior years	<u>52,371</u>	<u>43,662</u>
Deferred taxation	<u>1,855</u>	<u>39,605</u>
Taxation credit	<u>53,214</u>	<u>80,640</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\$52,371,000 for the 2017 year of assessment (2022: HK\$43,662,000 for the 2016 year of assessment) accordingly.

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

9. DIVIDENDS

	2023 HK\$'000	2022 <i>HK\$'000</i>
Dividends recognised as distribution during the year:		
Final dividend paid in respect of 2022: Nil (2022: HK\$0.015 per share in respect of 2021)	–	17,960
Interim dividend paid in respect of 2023: Nil (2022: HK\$0.015 per share in respect of 2022)	–	17,960
Special dividend paid in respect of 2023: Nil (2022: HK\$0.05 per share in respect of 2022)	–	59,865
	<u>–</u>	<u>95,785</u>

The Board has resolved not to recommend any final dividend for the Year (2022: Nil).

10. LOSS PER SHARE

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

	2023 HK\$'000	2022 <i>HK\$'000</i>
Loss		
Loss for the year attributable to owners of the Company for the purpose of basic loss per share	<u>(98,192)</u>	<u>(528,317)</u>
	2023	2022
Number of shares		
Weighted average number of ordinary shares in issue for the purpose of basic loss per share	<u>1,192,444,010</u>	<u>1,197,709,695</u>

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

11. TRADE AND OTHER RECEIVABLES

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Trade receivables	54,430	45,035
Less: Impairment allowance	<u>(21,469)</u>	<u>(20,879)</u>
	32,961	24,156
Chips on hand	–	50,444
Other receivables and prepayments	<u>19,184</u>	<u>57,485</u>
	<u>52,145</u>	<u>132,085</u>

As at 31 March 2023, trade receivables comprise receivables from contracts with customers and lease receivables of HK\$32,240,000 (2022: HK\$19,401,000) and HK\$721,000 (2022: HK\$4,755,000) respectively.

As at 1 April 2021, trade receivables from contracts with customers and lease receivables amounted to HK\$37,337,000 and HK\$3,625,000 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:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
0 – 30 days	19,388	6,061
31 – 60 days	52	699
61 – 90 days	249	1,135
91 – 180 days	294	3,289
Over 180 days	<u>12,978</u>	<u>12,972</u>
	<u>32,961</u>	<u>24,156</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 2023, included in the Group's trade receivables balance are debtors with aggregate carrying amount of HK\$13,521,000 (2022: HK\$17,396,000) which were past due at the end of the reporting period. Out of the past due balances, HK\$13,272,000 (2022: HK\$16,261,000) 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.

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

12. TRADE AND OTHER PAYABLES

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Trade payables	10,722	9,044
Chips in custody and deposits from gaming patrons	–	4,497
Construction payables and accruals	13,553	2,492
Other payables and accruals	52,081	73,999
Accrued staff costs	20,388	9,114
Short-term advance	–	18,000
	<u>96,744</u>	<u>117,146</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:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
0 – 30 days	6,565	3,648
31 – 60 days	3,654	5,166
61 – 90 days	158	123
91 – 180 days	330	81
Over 180 days	15	26
	<u>10,722</u>	<u>9,044</u>

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

13. ACQUISITION OF INVESTMENT PROPERTIES

On 27 September 2022, Poly Keen International Limited, an indirect non-wholly owned subsidiary of the Company, completed the acquisition of the entire property of the tower situated at No. 22 Davis Street, Kennedy Town, Hong Kong through the acquisition of the entire interest of Ever Explore Group from a direct wholly-owned subsidiary of Emperor International at a total cash consideration of HK\$490,000,000.

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 and the related notes thereto for the Year as set out in the preliminary announcement have been agreed by the Group'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 23 June 2023. 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, which comprises three Independent Non-executive Directors of the Company, had reviewed the audited consolidated financial statements for the Year in conjunction with the Group's 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 2023 and annual results for the Year.

CORPORATE GOVERNANCE

Corporate Governance Code

The Company has complied with all the code provisions of Corporate Governance Code as set out in Appendix 14 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 the Appendix 10 to the Listing Rules regarding Model Code for Securities Transactions by Directors of Listed Issuers (the "**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

During the Year, the Company repurchased a total of 8,815,000 Repurchased Shares at an aggregate consideration of HK\$4,389,375 (before expenses) on the Stock Exchange, the particulars of which are as follows:

Month of shares repurchase	Number of shares repurchased	Highest price paid per share HK\$	Lowest price paid per share HK\$	Aggregate consideration paid (before expenses) HK\$
September 2022	8,815,000	0.540	0.435	4,389,375

As at 31 March 2023, all of the Repurchased Shares were cancelled. The repurchases were made with a view to enhancing the net asset value and/or earnings per share.

Save as disclosed above, during the Year, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

As at 31 March 2023, there was a total of 1,188,490,983 (2022: 1,197,305,983) shares in issue.

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 dispatched to the shareholders of the Company and will be available on the aforesaid websites in due course.

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

Hong Kong, 23 June 2023

As at the date of this announcement, 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
<i>Independent Non-executive Directors:</i>	Ms. Kwan Shin Luen, Susanna Ms. Lai Ka Fung, May Mr. Yeung Man Sun