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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)

ANNUAL RESULTS
FOR THE YEAR ENDED 31 MARCH 2019

FINANCIAL SUMMARY	For the year ended 31 March		Changes
	2019	2018	
	HK\$'000	HK\$'000	
Revenue	<u>1,381,335</u>	<u>1,498,351</u>	<u>- 7.8%</u>
Gross profit	<u>838,191</u>	<u>958,923</u>	<u>- 12.6%</u>
Profit attributable to owners of the Company	<u>367,492</u>	<u>393,574</u>	<u>- 6.6%</u>
Basic earnings per share	<u>HK\$0.29</u>	<u>HK\$0.30</u>	<u>- 3.3%</u>
Total dividends per share	<u>HK\$0.082</u>	<u>HK\$0.083</u>	<u>- 1.2%</u>

* for identification purpose only

The board of directors (the “Board” or “Directors”) of Emperor Entertainment Hotel Limited (the “Company”) announces the audited consolidated financial statements of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 March 2019 (the “Year”) together with the comparative figures for the corresponding year in 2018 as set out below:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2019

	<i>Notes</i>	2019 HK\$'000	2018 <i>HK\$'000</i>
Revenue	3	1,381,335	1,498,351
Cost of sales		(39,513)	(38,620)
Cost of hotel and gaming operations		(503,631)	(500,808)
Gross profit		838,191	958,923
Other income		96,140	44,532
Other loss	5	(10,920)	(801)
Impairment allowance for trade receivables		(35,117)	–
Fair value changes of investment properties		17,600	53,100
Selling and marketing expenses		(288,554)	(319,139)
Administrative expenses		(249,695)	(255,361)
Finance costs		(171)	(12,386)
Profit before taxation	6	367,474	468,868
Taxation credit	7	70,823	38,862
Profit for the year		438,297	507,730
Other comprehensive income (expense)			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Fair value change of available-for-sale investments		–	(1,390)
Fair value change of debt instruments at fair value through other comprehensive income		329	–
Reclassification adjustments for amount transferred to profit or loss upon disposal of debt instruments at fair value through other comprehensive income		854	–
Other comprehensive income (expense) for the year		1,183	(1,390)
Total comprehensive income for the year		439,480	506,340

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME**

For the year ended 31 March 2019

	<i>Note</i>	2019 HK\$'000	2018 <i>HK\$'000</i>
Profit for the year attributable to:			
Owners of the Company		367,492	393,574
Non-controlling interests		70,805	114,156
		<u>438,297</u>	<u>507,730</u>
 Total comprehensive income for the year attributable to:			
Owners of the Company		371,495	392,740
Non-controlling interests		67,985	113,600
		<u>439,480</u>	<u>506,340</u>
 Earnings per share	<i>9</i>		
Basic		<u>HK\$0.29</u>	<u>HK\$0.30</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2019

	Notes	2019 HK\$'000	2018 HK\$'000
Non-current assets			
Investment properties		696,900	679,300
Property, plant and equipment		1,237,861	1,265,965
Prepaid lease payments		451,413	464,900
Debt instruments at fair value through other comprehensive income		372,025	–
Available-for-sale investments		–	262,965
Deposits paid for acquisition of property, plant and equipment		16,612	11,625
Goodwill		110,960	110,960
		<u>2,885,771</u>	<u>2,795,715</u>
Current assets			
Inventories, at cost		14,241	14,424
Trade and other receivables	10	245,572	309,249
Debt instruments at fair value through other comprehensive income		96,783	–
Available-for-sale investments		–	160,109
Prepaid lease payments		15,980	15,703
Pledged bank deposits		44,040	334
Short-term bank deposits		300,662	475,516
Bank balances and cash		2,638,143	3,098,510
		<u>3,355,421</u>	<u>4,073,845</u>
Current liabilities			
Trade and other payables	11	192,384	379,300
Amounts due to fellow subsidiaries		3,930	3,283
Amounts due to non-controlling interests of a subsidiary		46,200	107,600
Taxation payable		319,253	391,561
		<u>561,767</u>	<u>881,744</u>
Net current assets		<u>2,793,654</u>	<u>3,192,101</u>
Total assets less current liabilities		<u>5,679,425</u>	<u>5,987,816</u>
Non-current liability			
Deferred taxation		111,254	111,012
		<u>5,568,171</u>	<u>5,876,804</u>
Capital and reserves			
Share capital		126	130
Reserves		4,576,182	3,989,838
Equity attributable to owners of the Company		<u>4,576,308</u>	<u>3,989,968</u>
Non-controlling interests		991,863	1,886,836
		<u>5,568,171</u>	<u>5,876,804</u>

Notes:

1. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING 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, debt instruments at fair value through other comprehensive income (“FVTOCI”) and available-for-sale (“AFS”) investments 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 2018.

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRSs

New and amendments to HKFRSs that are mandatorily effective for the current year

The Group has applied the following new and amendments to HKFRSs issued by the HKICPA for the first time in the current year:

HKFRS 9	Financial Instruments
HKFRS 15	Revenue from Contracts with Customers and the related Amendments
HK(IFRIC) – Int 22	Foreign Currency Transactions and Advance Consideration
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts
Amendments to HKAS 28	As part of the Annual Improvements to HKFRSs 2014 – 2016 Cycle
Amendments to HKAS 40	Transfer of Investment Property

Except as described below, the application of the new and amendments to 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.

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRSs *(Continued)*

HKFRS 15 Revenue from Contracts with Customers

The Group has applied HKFRS 15 for the first time in the current year. HKFRS 15 superseded HKAS 18 Revenue, HKAS 11 Construction Contracts and the related interpretations.

The Group recognises revenue from the following major sources:

- gaming operation
- hotel operation

The Group has applied HKFRS 15 retrospectively with the cumulative effect of initially applying this standard recognised at the date of initial application, 1 April 2018. Any difference at the date of initial application is recognised in the opening retained profits (or other components of equity, as appropriate) and comparative information has not been restated. Furthermore, in accordance with the transition provisions in HKFRS 15, the Group has elected to apply the standard retrospectively only to contracts that are not completed as at 1 April 2018.

Information about the Group's performance obligations and the accounting policies resulting from application of HKFRS 15 will be disclosed in the Company's annual report.

The Directors reviewed and assessed the effect of application of HKFRS 15 and considered that there is no material impact on the timing and amounts of revenue recognised in the current year and the retained profits as at 1 April 2018.

HKFRS 9 Financial Instruments

In the current year, the Group has applied HKFRS 9 Financial Instruments and the related consequential amendments to other HKFRSs. HKFRS 9 introduces new requirements for 1) the classification and measurement of financial assets and liabilities, 2) expected credit losses ("ECL") for financial assets and 3) general hedge accounting.

The Group has applied HKFRS 9 in accordance with the transition provisions set out in HKFRS 9, i.e. applied the classification and measurement requirements (including impairment under ECL model) retrospectively to instruments that have not been derecognised as at 1 April 2018 (date of initial application) and has not applied the requirements to instruments that have already been derecognised as at 1 April 2018. The difference between the carrying amounts as at 31 March 2018 and the carrying amounts as at 1 April 2018 are recognised in the opening retained profits and other components of equity, without restating comparative information.

Accordingly, certain comparative information may not be comparable as comparative information was prepared under HKAS 39 Financial Instruments: Recognition and Measurement.

Accounting policies resulting from application of HKFRS 9 will be disclosed in the Company's annual report.

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRSs (Continued)

HKFRS 9 Financial Instruments (Continued)

Summary of effects arising from initial application of HKFRS 9

The table below illustrates the classification and measurement of debt instruments at FVTOCI and AFS investments under HKFRS 9 and HKAS 39 at the date of initial application, 1 April 2018.

	AFS investments HK\$'000	Debt instruments at FVTOCI HK\$'000
Closing balance at 31 March 2018 — HKAS 39	423,074	—
Effect arising from initial application of HKFRS 9:		
Reclassification		
From AFS investments to debt instruments at FVTOCI (Note (a))	<u>(423,074)</u>	<u>423,074</u>
Opening balance at 1 April 2018 — HKFRS 9	<u>—</u>	<u>423,074</u>

Notes:

(a) AFS investments

From AFS debt investments to FVTOCI

Listed bonds with a fair value of HK\$423,074,000 were reclassified from AFS investments to debt instruments at FVTOCI, as these investments are held within a business model whose objective is achieved by both collecting contractual cash flows and selling of these assets and the contractual cash flows of these investments are solely payments of principal and interest on the principal amount outstanding. Related fair value losses of HK\$834,000 continued to accumulate in the investments revaluation reserve as at 1 April 2018.

(b) Impairment under ECL model

The Group applies HKFRS 9 simplified approach to measure ECL which uses a lifetime ECL for trade receivables. The balances are assessed individually.

ECL for other financial assets at amortised cost, including other receivables, pledged bank deposits, short-term bank deposits and bank balances are assessed on 12 months expected credit loss (“12m ECL”) basis as there had been no significant increase in credit risk since initial recognition.

All of the Group’s debt instruments at FVTOCI are listed bonds that are graded in the high credit ratings among rating agencies. Therefore, these investments are considered to be low credit risk investments and the loss allowance is assessed on 12m ECL basis.

As at 1 April 2018, impairment allowance was insignificant and thus was not provided against the retained profits.

The Group has not applied any new and amendments to HKFRSs that have been issued but are not yet effective for the current accounting period.

3. REVENUE

2019
HK\$'000

An analysis of the Group's revenue is as follows:

Recognised over time:

Service income from gaming operation in mass market hall	664,826
Service income from gaming operation in VIP room	429,423
Service income from gaming operation in slot machine hall	42,607
Hotel room income	102,748
Others	4,283
	<hr/>
	1,243,887

Recognised at a point in time:

Food and beverage sales	113,260
Others	2,186
	<hr/>
	115,446

Revenue from contracts with customers	1,359,333
Rental income from investment properties	22,002
	<hr/>
	1,381,335

2018
HK\$'000

An analysis of the Group's revenue is as follows:

Service income from gaming operation in mass market hall	723,188
Service income from gaming operation in VIP room	490,864
Service income from gaming operation in slot machine hall	39,265
Hotel room income	100,053
Food and beverage sales	112,733
Rental income from investment properties	22,148
Others	10,100
	<hr/>
	1,498,351

4. SEGMENT INFORMATION

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

For gaming operation, the Executive Directors regularly analyse gaming revenue in terms of service income from mass market hall, VIP room and slot machine hall. No operating results or discrete financial information is presented to the Executive Directors in relation to the above analysis. The Executive Directors review the revenues and operating results of gaming operation as a whole and have identified the operating and reportable segments under HKFRS 8 as gaming operation and hotel operation.

The segment information reported externally is analysed on the basis of their types of services supplied by the Group’s operating divisions which is consistent with the internal information that is regularly reviewed by the CODM 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 different services provided by the Group. The principal activities of the operating and reportable segments are as follows:

- | | |
|------------------|--|
| Gaming operation | – Mass market hall, VIP room and slot machine hall operations and provision of gaming-related marketing and public relation services in the casino of the Grand Emperor Hotel in Macau |
| Hotel operation | – Hotel operation in the Grand Emperor Hotel and the Inn Hotel Macau including property investment income from investment properties in these hotels in Macau |

The Executive Directors assess the performance of individual operating and reportable segments based on a measure of adjusted earnings before interest, tax, depreciation and amortisation, loss on disposal of debt instruments at FVTOCI, exchange loss at corporate level and fair value changes of investment properties (the “Adjusted EBITDA”).

Inter-segment revenue is charged at a price mutually agreed by both parties.

4. SEGMENT INFORMATION (Continued)

Information regarding the above segments is reported below:

Segment revenue and results

For the year ended 31 March 2019

	Gaming operation <i>HK\$'000</i>	Hotel operation <i>HK\$'000</i>	Total <i>HK\$'000</i>	Elimination <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
SEGMENT REVENUE					
External revenue	1,136,856	244,479	1,381,335	–	1,381,335
Inter-segment revenue	–	1,621	1,621	(1,621)	–
Total	<u>1,136,856</u>	<u>246,100</u>	<u>1,382,956</u>	<u>(1,621)</u>	<u>1,381,335</u>
Segment result based on the Adjusted EBITDA	<u>332,003</u>	<u>66,042</u>	<u>398,045</u>		398,045
Bank interest income					52,680
Interest income from debt instruments at FVTOCI					30,282
Loss on disposal of debt instruments at FVTOCI					(854)
Depreciation of property, plant and equipment					(103,205)
Exchange loss at corporate level					(10,920)
Release of prepaid lease payments					(15,983)
Fair value changes of investment properties					17,600
Finance costs					(171)
Profit before taxation					<u>367,474</u>

For the year ended 31 March 2018

	Gaming operation <i>HK\$'000</i>	Hotel operation <i>HK\$'000</i>	Total <i>HK\$'000</i>	Elimination <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
SEGMENT REVENUE					
External revenue	1,253,317	245,034	1,498,351	–	1,498,351
Inter-segment revenue	–	1,621	1,621	(1,621)	–
Total	<u>1,253,317</u>	<u>246,655</u>	<u>1,499,972</u>	<u>(1,621)</u>	<u>1,498,351</u>
Segment result based on the Adjusted EBITDA	<u>448,751</u>	<u>63,950</u>	<u>512,701</u>		512,701
Bank interest income					38,471
Interest income from AFS investments					2,840
Depreciation of property, plant and equipment					(109,346)
Exchange loss at corporate level					(801)
Release of prepaid lease payments					(15,711)
Fair value changes of investment properties					53,100
Finance costs					(12,386)
Profit before taxation					<u>468,868</u>

4. SEGMENT INFORMATION (Continued)

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

Other than the segment information disclosed in above, there was no other information reviewed by the CODM for the years ended 31 March 2019 and 31 March 2018.

Geographical information

The Group's revenue was derived principally in Macau.

The non-current assets, other than debt instruments at FVTOCI and AFS investments, are all located in Macau.

Information about major customer

During the Year, revenue derived from one (2018: one) customer contributed over 10% of the Group's revenue amounted to HK\$1,139,510,000 (2018: HK\$1,256,266,000). The revenue related to the gaming operation and the hotel operation.

5. OTHER LOSS

	2019 <i>HK\$'000</i>	2018 <i>HK\$'000</i>
Exchange loss	<u>10,920</u>	<u>801</u>

6. PROFIT BEFORE TAXATION

	2019 <i>HK\$'000</i>	2018 <i>HK\$'000</i>
Profit before taxation has been arrived at after charging:		
Commission expenses in gaming operation (included in selling and marketing expenses)	227,748	259,943
Depreciation of property, plant and equipment	103,205	109,346
Loss on disposal/write-off of property, plant and equipment	184	151
Loss on disposal of debt instruments at FVTOCI	854	–
Release of prepaid lease payments	15,983	15,711

and after crediting:

Bank interest income	52,680	38,471
Interest income from debt instruments at FVTOCI	30,282	–
Interest income from AFS investments	–	2,840

7. TAXATION CREDIT

	2019 <i>HK\$'000</i>	2018 <i>HK\$'000</i>
Macau Complementary Tax		
– current tax	(40,545)	(50,082)
– over(under)provision in prior years	33	(714)
– reversal of tax provision in prior years	<u>111,605</u>	<u>96,178</u>
	<u>71,093</u>	<u>45,382</u>
Hong Kong Profits Tax		
– current tax	(58)	(62)
– overprovision in prior years	<u>30</u>	<u>–</u>
	<u>(28)</u>	<u>(62)</u>
Deferred taxation	<u>(242)</u>	<u>(6,458)</u>
Taxation credit	<u><u>70,823</u></u>	<u><u>38,862</u></u>

The Macau Complementary Tax (“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 lapse 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\$111,605,000 for the 2013 year of assessment (2018: HK\$96,178,000 for the 2012 year of assessment) accordingly.

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

8. DIVIDENDS

	2019 <i>HK\$'000</i>	2018 <i>HK\$'000</i>
Dividends recognised as distribution during the year:		
Final dividend paid in respect of 2018: HK\$0.057 per share (2018: HK\$0.057 per share in respect of 2017)	73,631	74,245
Interim dividend paid in respect of 2019: HK\$0.028 per share (2018: HK\$0.026 per share in respect of 2018)	<u>35,871</u>	<u>33,866</u>
	<u><u>109,502</u></u>	<u><u>108,111</u></u>

The Board proposed the payment of a final dividend of HK\$0.054 per share (2018: HK\$0.057 per share) for the year ended 31 March 2019 which is subject to approval by the shareholders of the Company at the forthcoming annual general meeting.

9. EARNINGS PER SHARE

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

	2019 <i>HK\$'000</i>	2018 <i>HK\$'000</i>
Earnings		
Earnings (profit for the year attributable to owners of the Company) for the purpose of basic earnings per share	<u>367,492</u>	<u>393,574</u>
	2019	2018
Number of shares		
Weighted average number of ordinary shares in issue for the purpose of basic earnings per share	<u>1,285,495,778</u>	<u>1,302,545,983</u>

Diluted earnings per share is not presented as the Company does not have any dilutive potential ordinary share for both years.

10. TRADE AND OTHER RECEIVABLES

	2019 <i>HK\$'000</i>	2018 <i>HK\$'000</i>
Trade receivables	151,156	135,717
Less: Impairment allowance	<u>(53,126)</u>	<u>(18,009)</u>
	98,030	117,708
Chips on hand	122,888	151,712
Other receivables and prepayments	<u>24,654</u>	<u>39,829</u>
	<u>245,572</u>	<u>309,249</u>

10. TRADE AND OTHER RECEIVABLES (Continued)

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

	2019 <i>HK\$'000</i>	2018 <i>HK\$'000</i>
0–30 days	81,775	95,489
31–60 days	456	4,776
61–90 days	780	595
91–180 days	1,335	2,504
Over 180 days	13,684	14,344
	<u>98,030</u>	<u>117,708</u>

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

11. TRADE AND OTHER PAYABLES

	2019 <i>HK\$'000</i>	2018 <i>HK\$'000</i>
Trade payables	12,068	14,997
Chips in custody and deposits from gaming patrons	25,422	56,878
Construction payables and accruals	4,688	11,386
Other payables and accruals	87,027	83,184
Payable for acquisition of AFS investments	–	156,741
Accrued staff costs	45,179	38,114
Short-term advance	18,000	18,000
	<u>192,384</u>	<u>379,300</u>

11. TRADE AND OTHER PAYABLES (Continued)

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

	2019 <i>HK\$'000</i>	2018 <i>HK\$'000</i>
0–30 days	6,083	9,183
31–60 days	5,677	5,696
61–90 days	105	15
91–180 days	165	62
Over 180 days	38	41
	<u>12,068</u>	<u>14,997</u>

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

12. ACQUISITION OF ADDITIONAL INTERESTS IN A NON-WHOLLY OWNED SUBSIDIARY

During the Year, the Group acquired 15% of shareholdings in Luck United Holdings Limited (“Luck United”), in aggregate, at a total consideration of HK\$460,000,000, which also included the acquisition of the shareholder's loan of HK\$36,750,000 due and payable by Luck United to Big Wheel Limited upon completion on 19 October 2018, details of which had been disclosed in the Company's announcement dated 8 October 2018. The difference of HK\$293,936,000 between the consideration paid for equity interests of HK\$423,250,000 and the decrease in the non-controlling interests of HK\$717,186,000 was recognised directly in other reserve.

In addition, the Group further acquired another 5% of shareholdings in Luck United, in aggregate, at a total consideration of HK\$155,000,000, which also included the acquisition of the shareholder's loan of HK\$12,250,000 due and payable by Luck United to New Mode Limited upon completion on 25 January 2019, details of which had been disclosed in the Company's announcement dated 27 December 2018 and its circular dated 14 March 2019. The difference of HK\$103,022,000 between the consideration paid for equity interests of HK\$142,750,000 and the decrease in the non-controlling interests of HK\$245,772,000 was recognised directly in other reserve.

Upon completion of the above acquisitions, the Group increased its shareholding in Luck United from 60% to 80%.

13. EVENT AFTER THE REPORTING PERIOD

In April 2019, the Company had repurchased its own shares from the market in a total of 7,845,000 shares at an aggregate consideration of HK\$13,367,000 (including the relevant transaction costs and expenses of HK\$35,000), with an average price of HK\$1.70 per share. These shares have not yet been cancelled on the date of this announcement.

MANAGEMENT DISCUSSION AND ANALYSIS

The Group principally engages in provision of entertainment and hospitality services in Macau.

MARKET REVIEW

With Macau government's various initiatives to position itself as a global leisure and tourism hub, Macau combines a wide spectrum of leisure activities and entertainment that appeal to the evolving demands of visitors from around the world. During the Year, the number of Macau's inbound visitors rose 13.0% to 37.6 million.

Though there is positive growth in Macau tourism, the development of Cotai casino resorts has started to mature and this, coupled with the volatile global economic environment and intensifying control of capital flows in mainland China, has resulted in slower growth of Macau's gaming market. During the Year, Macau's gross gaming revenue increased by 8.5% to MOP302.5 billion, as compared with double digit growth in the previous financial year.

FINANCIAL REVIEW

Overall Review

The change in Macau's tourism landscape has somewhat impacted the Group's performance, and revenue declined by 7.8% to HK\$1,381.3 million (2018: HK\$1,498.4 million) during the Year. Profit for the Year attributable to the owners of the Company also decreased by 6.6% to HK\$367.5 million (2018: HK\$393.6 million). Basic earnings per share were HK\$0.29 (2018: HK\$0.30). The Board recommended the payment of a final dividend of HK\$0.054 (2018: HK\$0.057) per share. Together with the interim dividend of HK\$0.028 (2018: HK\$0.026) per share, the total dividends per share for the Year are HK\$0.082 (2018: HK\$0.083).

Capital Structure, Liquidity and Financial Resources

The Group continued to maintain a strong cash position and a healthy financial position, supported by its ongoing and stable cash inflows. The Group funded its operations and capital expenditure by cash generated internally from its operations. For the commercial benefit of the Group, the Group invested in certain high-yield listed corporate bonds with carrying value of HK\$468.8 million as of 31 March 2019 (2018: HK\$423.1 million). These listed corporate bonds are denominated in United States dollar and Renminbi with a maturity period from 1 to 3 years. As at 31 March 2019, aggregate of bank balances and cash, short-term bank deposits and pledged bank deposits of the Group amounted to HK\$2,982.8 million (2018: HK\$3,574.4 million), which are mainly denominated in Hong Kong dollars, United States dollars and Macau Patacas. During the Year, the Group recorded an exchange loss of HK\$10.9 million mainly attributable to devaluation of assets denominated in Renminbi. The Group closely monitors its overall foreign exchange exposure and will consider to adopt appropriate measures to mitigate its currency risk.

The Group's current assets and current liabilities as at 31 March 2019 were HK\$3,355.4 million (2018: HK\$4,073.8 million) and HK\$561.8 million (2018: HK\$881.7 million), respectively. As at 31 March 2019, the advances from non-controlling interests of a subsidiary of the Company amounted to HK\$46.2 million (2018: HK\$107.6 million), which was denominated in Hong Kong dollars, unsecured, interest-free and repayable at the discretion of non-controlling interests and availability of surplus fund of the subsidiary. The gearing ratio of the Group (expressed as a percentage of total borrowings over total equity) decreased to 0.8% (2018: 1.8%).

During the Year, the Company repurchased its own shares from the market using internal resources, with a total of 43,720,000 shares purchased at an aggregate consideration of HK\$72.6 million, with an average price of HK\$1.66 per share. Having considered the Group's 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. As at the date of this announcement, these repurchased shares had been cancelled and the total number of issued shares of the Company was reduced to 1,258,825,983 (2018: 1,302,545,983) shares and its issued share capital was HK\$126,000 (2018: HK\$130,000).

Subsequent to the end of the Year, the Company further repurchased its own shares from the market, likewise from internal resources, with a total of 7,845,000 shares purchased at an aggregate consideration of HK\$13.4 million, with an average price of HK\$1.70 per share. These shares have not yet been cancelled on the date of this announcement.

Pledge of Assets

As at 31 March 2019, assets with carrying values of approximately HK\$2.2 billion (2018: HK\$2.3 billion) were pledged to several banks as security for banking facilities, for a total of HK\$520.0 million (2018: HK\$100.0 million) granted to the Group. In addition, the Group has bank deposits of HK\$44.0 million (2018: HK\$0.3 million) pledged to banks as security for i) obtaining a bank guarantee in amount of MOP45.0 million (equivalent to HK\$43.7 million) which is made in favour of Sociedade de Jogos de Macau, S.A. ("SJM") for the Group's fulfilment of all its obligations, in particular for reimbursement by the Group to SJM of the employee's salaries and benefits for those gaming operation employees employed by SJM who work for the casino where the Group provides services to SJM, as stipulated under the service agreement entered into between SJM and the Group; and ii) the use of ferry ticket equipment provided by a third party to the Group.

Acquisitions

On 8 October 2018, the Group made an acquisition from a substantial shareholder of Luck United, a non-wholly owned subsidiary of the Company, of its entire 15% equity interest in Luck United and the relevant shareholder's loan due to this shareholder, at a total consideration of HK\$460.0 million. On 27 December 2018, the Group made a further acquisition from another shareholder of Luck United of its entire 5% equity interest in Luck United and the relevant shareholder's loan due to this shareholder, at a total consideration of HK\$155.0 million. As at 31 March 2019, both the 15% Acquisition and the 5% Acquisition were completed, and the Group increased its shareholding in Luck United to 80%. In recent years, Luck United continued to achieve a stable performance in entertainment and hospitality services in Macau, and generated a recurrent income stream for the Group. The increase in the shareholding of Luck United can realise the expansion of this good investment opportunity, and enable the Group to efficiently utilise financial resources.

BUSINESS REVIEW

The Group currently operates two hotels, Grand Emperor Hotel ("GEH") and Inn Hotel Macau ("IHM"), in Macau. GEH, the Group's flagship project, on the Macau Peninsula, is an award-winning 26-storey gaming hotel with a gross floor area of approximately 655,000 square feet and 311 guest rooms. It has six gaming floors, covering over 130,000 square feet, and offers slot machines as well as gaming tables in the gaming concourse and the VIP room. In addition, GEH offers a wide range of amenities including fitness centre, sauna and spa facilities, as well as five restaurants and bars boasting fine cuisines from all around the world. With strong commitment to providing guests with unparalleled entertainment and hospitality experiences, the Group delivers consistently top-quality services that translate into high levels of customer satisfaction and loyalty.

Located at the heart of Macau's Taipa Island, IHM is a 17-storey hotel with a gross floor area of approximately 209,000 square feet, and 287 guest rooms. IHM creates comfortable experience for catering the lifestyles of both leisure and business travellers. Through extending coverage from the Macau Peninsula to Taipa, IHM enables the Group to fully capture the potential of Macau's hospitality market.

Gaming Revenue

The Group's casino in GEH is operated under the gaming licence held by SJM. Although the number of inbound visitors in Macau grew during the Year, the market share of casinos on the Macau Peninsula has been partially captured by the recently opened casino resorts in Cotai. In order to expand its customer base and enhance customer loyalty, the Group strengthened its efforts to improve customer segmentation and customer services, aiming to create a personalised and pleasant experiences for gamblers. During the Year, the Group's gaming revenue declined slightly, to HK\$1,136.8 million (2018: HK\$1,253.4 million).

Gaming Concourse

The gross win in the gaming concourse was HK\$1,187.0 million (2018: HK\$1,293.1 million) and revenue from the gaming concourse was HK\$664.8 million (2018: HK\$723.2 million), accounting for 48.1% (2018: 48.3%) of the Group's total revenue. There were 67 (2018: 67) tables in the gaming concourse. Average win per table per day was HK\$49,000 (2018: HK\$53,000).

VIP Room

The Group self-managed a VIP room with 10 (2018: 10) tables. The rolling amount was HK\$19.3 billion (2018: HK\$22.4 billion). Revenue from the VIP room was HK\$429.4 million (2018: HK\$490.9 million), accounting for 31.1% (2018: 32.8%) of the Group's total revenue. Average win per table per day was HK\$207,000 (2018: HK\$237,000).

Slot Machines

With a capacity of 180 (2018: 172) slot seats as at 31 March 2019, the gross win from slot machines increased to HK\$89.7 million (2018: HK\$82.7 million). Revenue from the slot machines increased to HK\$42.6 million (2018: HK\$39.3 million), accounting for 3.1% (2018: 2.6%) of the Group's total revenue. Average win per seat per day increased by 0.8% to HK\$1,442 (2018: HK\$1,431).

Hotel Revenue

The Group's hotel revenue derives from the hospitality income of GEH and IHM. The hotel revenue decreased slightly by 0.2% to HK\$244.5 million (2018: HK\$245.0 million), accounting for 17.7% (2018: 16.3%) of the Group's total revenue. As of 31 March 2019, GEH and IHM provided 311 and 287 guest rooms, respectively. During the Year, the average room rates of GEH and IHM were HK\$888 (2018: HK\$872) per night and HK\$520 (2018: HK\$476) per night, with occupancy rates of 94% (2018: 93%) and 93% (2018: 94%), respectively. Combined room revenue was HK\$102.7 million (2018: HK\$100.1 million). Combined revenue from food and beverage was HK\$113.3 million (2018: HK\$112.7 million), while the aggregate amount of rental income and other revenue was HK\$28.5 million (2018: HK\$32.2 million).

OUTLOOK

In the near future, the volatile global economy and political tensions are likely to somewhat hinder the development of Macau's gaming market. Nonetheless, the Macau government is relentlessly boosting its tourism, in order to turn Macau into a world-class tourist city. Currently, approximately 70% of its tourists come from mainland China, and the Group is poised to benefit from the rising affluence in mainland China. The latest developments — including the operation of Hong Kong-Zhuhai-Macao Bridge and the promotion of the Greater Bay Area — are also set to boost Macau tourism. The Group therefore remains optimistic about the long term outlook for Macau's gaming market.

In view of the changing tourism landscape in Macau, the Group will reinforce its customer segmentation, in order to expand its share of the premium mass market, in which the Group sees long-term potential. In this regard, the Group will increase its competitiveness by offering differentiated, premium services to the targeted segments. The Group endeavours to elevate itself in order to solidify its market presence as opportunities emerge, and is committed to contributing to the development of Macau into a global gaming hub.

EMPLOYEES AND REMUNERATION POLICY

As at 31 March 2019, the Group's number of employee was 1,143 (2018: 1,164). Total staff costs (including directors' remuneration) were HK\$451.7 million (2018: HK\$441.8 million) for the Year. Each employee's remuneration was determined in accordance with individual's responsibilities, competence and skills, experience and performance as well as market pay level. Staff benefits include medical and life insurance, provident funds and other competitive fringe benefits.

To provide incentives or rewards to the staff, the Company has adopted a share option scheme, particulars of which will be set out in the section headed "Share Options" of the annual report of the Company.

FINAL DIVIDEND

The Board is pleased to recommend the payment of a final dividend of HK\$0.054 (2018: HK\$0.057) 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 8 August 2019 (Thursday). If being approved, the Final Dividend will be paid on 6 September 2019 (Friday) to shareholders whose names appear on the register of members of the Company on 16 August 2019 (Friday).

CLOSURE OF REGISTER OF MEMBERS

For ascertaining shareholders' right to attend and vote at AGM

Latest time to lodge transfers	4:30 p.m. on 2 August 2019 (Friday)
AGM	8 August 2019 (Thursday)

For ascertaining shareholders' entitlement to the proposed Final Dividend

Latest time to lodge transfers	4:30 p.m. on 14 August 2019 (Wednesday)
Book close dates	15 and 16 August 2019 (Thursday and Friday)
Record date	16 August 2019 (Friday)
Final Dividend payment date	6 September 2019 (Friday)

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 Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration before the above respective latest time.

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 Group's audited consolidated financial statements for the Year. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance 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 the 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 2019 and annual results for the Year.

CORPORATE GOVERNANCE

Corporate Governance Code

The Company has complied throughout the Year with all the 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 its own code of conduct regarding securities transactions by Directors ("EEH Securities Code") on no less exacting terms than the required standards set out in the Appendix 10 of the Listing Rules regarding Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code"). 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 and 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 43,720,000 shares of the Company ("Shares") at an aggregate consideration of HK\$72,377,000 (before expenses) on the Stock Exchange.

Month of repurchase of Shares	Date of cancellation	Number of Shares repurchased	Highest price paid per Share HK\$	Lowest price paid per Share HK\$	Aggregate consideration paid (before expenses) HK\$
April 2018	8 May 2018	1,935,000	1.74	1.65	3,345,800
June 2018	7 August 2018	4,855,000	1.72	1.68	8,256,400
July 2018	7 August 2018	3,465,000	1.71	1.65	5,838,250
August 2018	7 August 2018 and 27 September 2018	7,340,000	1.72	1.59	11,802,650
November 2018	12 December 2018	850,000	1.44	1.42	1,217,000
December 2018	12 December 2018 and 29 March 2019	3,530,000	1.51	1.43	5,248,900
January 2019	29 March 2019	9,840,000	1.68	1.44	15,893,550
February 2019	29 March 2019	7,340,000	1.78	1.67	12,655,650
March 2019	29 March 2019	4,565,000	1.79	1.75	8,118,800
Total		<u>43,720,000</u>			<u>72,377,000</u>

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 2019, there was a total of 1,258,825,983 (2018: 1,302,545,983) Shares in issue.

PUBLICATION OF THE ANNUAL RESULTS AND ANNUAL REPORT

The annual results announcement is published on the Company's website (<http://www.emp296.com>) and the website of the Stock Exchange (<http://www.hkexnews.hk>). The annual report will be dispatched to the shareholders of the Company and will be available on the websites of the Stock Exchange and the Company in due course.

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

Hong Kong, 12 June 2019

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