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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 ANNOUNCEMENT  
FOR THE YEAR ENDED 31 MARCH 2018**

	For the year ended 31 March		Changes
	2018	2017	
	<i>HK\$'000</i>	<i>HK\$'000</i>	
Revenue	<u><b>1,498,351</b></u>	<u>1,613,180</u>	<u><b>- 7.1%</b></u>
Gross profit	<u><b>958,923</b></u>	<u>1,053,894</u>	<u><b>- 9.0%</b></u>
Profit for the year attributable to owners of the Company	<u><b>393,574</b></u>	<u>346,490</u>	<u><b>+ 13.6%</b></u>
Basic earnings per share	<u><b>HK\$0.30</b></u>	<u>HK\$0.27</u>	<u><b>+ 11.1%</b></u>
Total dividends per share	<u><b>HK\$0.083</b></u>	<u>HK\$0.082</u>	<u><b>+ 1.2%</b></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 2018 (the “Year”) together with the comparative figures for the corresponding year in 2017 as set out below:

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

For the year ended 31 March 2018

	Notes	2018 HK\$'000	2017 HK\$'000
Revenue	3	1,498,351	1,613,180
Cost of sales		(38,620)	(41,405)
Cost of hotel and gaming operations		(500,808)	(517,881)
Gross profit		958,923	1,053,894
Other income		44,532	38,222
Fair value changes of investment properties		53,100	(16,000)
Other losses	5	(801)	(29,422)
Selling and marketing expenses		(319,139)	(378,048)
Administrative expenses		(255,361)	(244,129)
Finance costs		(12,386)	(14,663)
Profit before taxation	6	468,868	409,854
Taxation credit	7	38,862	18,796
Profit for the year		507,730	428,650
Other comprehensive (expense) income			
<i>Items that will not be reclassified to profit or loss:</i>			
Revaluation surplus of prepaid lease payments and property, plant and equipment transferred to investment properties		–	30,500
Deferred tax on revaluation surplus of prepaid lease payments and property, plant and equipment transferred to investment properties		–	(3,660)
		–	26,840
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Fair value change of available-for-sale investments		(1,390)	–
Other comprehensive (expense) income for the year		(1,390)	26,840
Total comprehensive income for the year		506,340	455,490

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

*For the year ended 31 March 2018*

	<i>Note</i>	<b>2018</b> <b>HK\$'000</b>	2017 <i>HK\$'000</i>
Profit for the year attributable to:			
Owners of the Company		<b>393,574</b>	346,490
Non-controlling interests		<b>114,156</b>	82,160
		<b>507,730</b>	428,650
Total comprehensive income for the year attributable to:			
Owners of the Company		<b>392,740</b>	362,594
Non-controlling interests		<b>113,600</b>	92,896
		<b>506,340</b>	455,490
Earnings per share			
Basic	<i>9</i>	<b>HK\$0.30</b>	HK\$0.27

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2018

	Notes	2018 HK\$'000	2017 HK\$'000
<b>Non-current assets</b>			
Investment properties		679,300	626,200
Property, plant and equipment		1,265,965	1,327,753
Prepaid lease payments		464,900	480,603
Available-for-sale investments		262,965	–
Deposits paid for acquisition of property, plant and equipment		11,625	2,698
Goodwill		110,960	110,960
		<u>2,795,715</u>	<u>2,548,214</u>
<b>Current assets</b>			
Inventories, at cost		14,424	13,619
Trade and other receivables	10	309,249	287,631
Available-for-sale investments		160,109	–
Prepaid lease payments		15,703	15,711
Pledged bank deposit		334	329
Short-term bank deposits		475,516	2,822
Bank balances and cash		3,098,510	3,959,005
		<u>4,073,845</u>	<u>4,279,117</u>
<b>Current liabilities</b>			
Trade and other payables	11	379,300	212,626
Amounts due to fellow subsidiaries		3,283	4,092
Amounts due to non-controlling interests of a subsidiary		107,600	120,800
Taxation payable		391,561	436,884
Bank borrowing – due within one year		–	43,200
		<u>881,744</u>	<u>817,602</u>
<b>Net current assets</b>		<u>3,192,101</u>	<u>3,461,515</u>
<b>Total assets less current liabilities</b>		<u>5,987,816</u>	<u>6,009,729</u>
<b>Non-current liabilities</b>			
Bank borrowing – due after one year		–	426,600
Deferred taxation		111,012	104,554
		<u>111,012</u>	<u>531,154</u>
		<u>5,876,804</u>	<u>5,478,575</u>
<b>Capital and reserves</b>			
Share capital		130	130
Reserves		3,989,838	3,705,209
Equity attributable to owners of the Company		<u>3,989,968</u>	<u>3,705,339</u>
Non-controlling interests		1,886,836	1,773,236
		<u>5,876,804</u>	<u>5,478,575</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 (the “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 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 below and 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 2017.

**Financial instruments**

***AFS financial assets***

AFS financial assets are non-derivatives that are either designated as available-for-sale or are not classified as (a) loans and receivables, (b) held-to-maturity investments or (c) financial assets at fair value through profit or loss.

Debt securities held by the Group that are classified as AFS financial assets are measured at fair value at the end of each reporting period. Changes in the carrying amount of AFS debt instruments relating to interest income calculated using the effective interest method, and changes in foreign exchange rates, if applicable are recognised in profit or loss. Other changes in the carrying amount of AFS financial assets are recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. When the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss.

**2. APPLICATION OF NEW AND REVISED HKFRSs**

**Amendments to HKFRSs that are mandatorily effective for the current year**

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

Amendments to HKAS 7	Disclosure Initiative
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses
Amendments to HKFRS 12	As part of the Annual Improvements to HKFRSs 2014–2016 Cycle

Except as described below, the application of the 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 REVISED HKFRSs (Continued)

### Amendments to HKAS 7 Disclosure Initiative

The Group has applied these amendments for the first time in the current year. The amendments require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both cash and non-cash changes. In addition, the amendments also require disclosures on changes in financial assets if cash flows from those financial assets were, or future cash flows will be, included in cash flows from financing activities.

Specifically, the amendments require the following to be disclosed: (i) changes from financing cash flows; (ii) changes arising from obtaining or losing control of subsidiaries or other businesses; (iii) the effect of changes in foreign exchange rates; (iv) changes in fair values; and (v) other changes.

A reconciliation between the opening and closing balances of these items will be provided in a note to the consolidated financial statements of the annual report of the Company. Consistent with the transition provisions of the amendments, the Group has not disclosed comparative information for the prior year. Apart from the additional disclosure in the note, the application of these amendments has had no impact on the Group's consolidated financial statements.

Except for the above, the HKICPA has issued a number of new and revised HKFRSs which are not effective for the Year and have not been early adopted by the Group.

## 3. REVENUE

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

	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Service income from gaming operation in mass market hall	723,188	777,471
Service income from gaming operation in VIP room	490,864	546,366
Service income from gaming operation in slot machine hall	39,265	38,207
Hotel room income	100,053	99,213
Food and beverage sales	112,733	119,423
Rental income from investment properties	22,148	23,706
Others	10,100	8,794
	<u>1,498,351</u>	<u>1,613,180</u>

#### 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, 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 2018

	Gaming operation HK\$'000	Hotel operation HK\$'000	Total HK\$'000	Elimination HK\$'000	Consolidated HK\$'000
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>

##### For the year ended 31 March 2017

	Gaming operation HK\$'000	Hotel operation HK\$'000	Total HK\$'000	Elimination HK\$'000	Consolidated HK\$'000
SEGMENT REVENUE					
External revenue	1,362,044	251,136	1,613,180	–	1,613,180
Inter-segment revenue	–	2,221	2,221	(2,221)	–
Total	<u>1,362,044</u>	<u>253,357</u>	<u>1,615,401</u>	<u>(2,221)</u>	<u>1,613,180</u>
Segment result based on the Adjusted EBITDA	<u>495,307</u>	<u>69,803</u>	<u>565,110</u>		565,110
Bank interest income					34,267
Depreciation of property, plant and equipment					(126,831)
Exchange loss at corporate level					(16,522)
Release of prepaid lease payments					(15,507)
Fair value changes of investment properties					(16,000)
Finance costs					(14,663)
Profit before taxation					<u>409,854</u>

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 2018 and 31 March 2017.



#### 4. SEGMENT INFORMATION (Continued)

##### Geographical information

The Group's revenue was derived principally in Macau.

The non-current assets, other than AFS investments, are all located in Macau.

##### Information about major customer

During the Year, revenue derived from one (2017: one) customer contributed over 10% of the Group's revenue amounted to HK\$1,256,266,000 (2017: HK\$1,365,716,000). The revenue related to the gaming operation and the hotel operation.

#### 5. OTHER LOSSES

	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Exchange loss	801	16,522
Loss arising from misappropriation of funds (note)	—	12,900
	<u>801</u>	<u>29,422</u>

Note: During the year ended 31 March 2017, the Group was aware that an ex-senior casino cashier of a subsidiary of the Company in Macau had embezzled some of the chips on hand ("Misappropriation of Funds") of the Group. The matter was reported to The Inspectorate of Macao Judiciary Police and the ex-senior casino cashier was arrested for criminal investigation. The court judgement was obtained and the person had pleaded guilty and was sentenced to imprisonment.

The loss arising from the Misappropriation of Funds amounted to HK\$12,900,000 net of HK\$100,000 returned by the ex-senior casino cashier, which was charged to the consolidated statement of profit or loss and other comprehensive income in the prior year. Chips on hand under note 10 "Trade and other receivables" were also adjusted downward by the same amount to reflect such loss for that year.

#### 6. PROFIT BEFORE TAXATION

	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Profit before taxation has been arrived at after charging:		
Commission expenses in gaming operation (included in selling and marketing expenses)	259,943	310,839
Depreciation of property, plant and equipment	109,346	126,831
Loss on disposal of property, plant and equipment	151	—
Release of prepaid lease payments	15,711	15,507
and after crediting:		
Bank interest income	38,471	34,267
Interest income from AFS investments	2,840	—
Gain on disposal of property, plant and equipment	—	50
	<u>38,471</u>	<u>34,267</u>

## 7. TAXATION CREDIT

	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Macau Complementary Tax		
– current tax	(50,082)	(53,942)
– underprovision in prior years	(714)	(4)
– reversal of tax provision in prior years	<u>96,178</u>	<u>70,974</u>
	45,382	17,028
Hong Kong Profits Tax		
– current tax	(62)	–
Deferred taxation	<u>(6,458)</u>	<u>1,768</u>
	<u><b>38,862</b></u>	<u><b>18,796</b></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\$96,178,000 for the 2012 year of assessment (2017: HK\$70,974,000 for the 2011 year of assessment) accordingly.

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for the current year.

No provision for Hong Kong Profits Tax was made in the consolidated financial statements for the prior year as the assessable profit in that year was wholly absorbed by tax losses brought forward in previous years.

## 8. DIVIDENDS

	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Dividends recognised as distribution during the year:		
Final dividend paid in respect of 2017: HK\$0.057 per share (2017: HK\$0.052 per share in respect of 2016)	74,245	67,732
Interim dividend paid in respect of 2018: HK\$0.026 per share (2017: HK\$0.025 per share in respect of 2017)	<u>33,866</u>	<u>32,564</u>
	<u><b>108,111</b></u>	<u><b>100,296</b></u>

The Board proposed the payment of a final dividend of HK\$0.057 per share (2017: HK\$0.057 per share) for the year ended 31 March 2018 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:

	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
<b>Earnings</b>		
Earnings (profit for the year attributable to owners of the Company) for the purpose of basic earnings per share	<u>393,574</u>	<u>346,490</u>
	2018	2017
<b>Number of shares</b>		
Weighted average number of ordinary shares in issue for the purpose of basic earnings per share	<u>1,302,545,983</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

	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Trade receivables	135,717	179,514
Less: Allowance for doubtful debts	<u>(18,009)</u>	<u>(31,009)</u>
	117,708	148,505
Chips on hand	151,712	121,245
Other receivables and prepayments	<u>39,829</u>	<u>17,881</u>
	<u>309,249</u>	<u>287,631</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. An ageing analysis of the Group's trade receivables (net of allowances) based on the date of credit granted or the invoice date at the end of the reporting period is set out below:

	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
0-30 days	95,489	126,155
31-60 days	4,776	3,951
61-90 days	595	595
91-180 days	2,504	3,293
Over 180 days	<u>14,344</u>	<u>14,511</u>
	<u>117,708</u>	<u>148,505</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

	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Trade payables	14,997	17,108
Chips in custody and deposits from gaming patrons	56,878	39,396
Construction payables and accruals	11,386	12,798
Interest payable	–	3,691
Other payables and accruals	83,184	89,405
Payable for acquisition of AFS investments	156,741	–
Accrued staff costs	38,114	32,228
Short-term advance	18,000	18,000
	<u>379,300</u>	<u>212,626</u>

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:

	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
0-30 days	9,183	7,464
31-60 days	5,696	7,137
61-90 days	15	2,255
91-180 days	62	236
Over 180 days	41	16
	<u>14,997</u>	<u>17,108</u>

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

## 12. EVENT AFTER THE REPORTING PERIOD

Subsequent to 31 March 2018, the Company had repurchased its own shares from the market in total of 1,935,000 shares at an aggregated consideration of HK\$3,346,000 with an average price of HK\$1.729 per share on 18 April 2018, 19 April 2018 and 20 April 2018. Those shares were cancelled on 8 May 2018.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

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

### **MARKET REVIEW**

During the Year, Macau's gross gaming revenue recorded a growth of 20.9% to MOP231.4 billion. Such increase was largely driven by an expansion in overall gaming capacity on Cotai. Since 2015, several large-scale development projects embarked by gaming concessionaires have commenced operations on Cotai. With a raft of new gaming offerings and family-friendly recreations, the new establishments have attracted leisure travellers, who are typically mass-market players. The market share of gaming on Macau Peninsula, especially in the mass segment, was diluted by the competition from new properties on Cotai.

### **FINANCIAL REVIEW**

#### **Overall Review**

With incremental capacity added on Cotai, though the Group's performance was inevitably affected, it managed to record a slight decline in revenue, to HK\$1,498.4 million (2017: HK\$1,613.2 million). Profit for the Year attributable to the owners of the Company increased by 13.6% to HK\$393.6 million (2017: HK\$346.5 million). Such increase was mainly due to a decrease of selling and marketing expenses and exchange loss, as well as a revaluation gain recognised during the Year, as compared to a revaluation loss in the last year. Basic earnings per share increased to HK\$0.30 (2017: HK\$0.27). The Board recommended the payment of a final dividend of HK\$0.057 (2017: HK\$0.057) per share. Together with the interim dividend of HK\$0.026 (2017: HK\$0.025) per share, the total dividends per share for the Year are HK\$0.083 (2017: HK\$0.082).

#### **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\$423.1 million as of 31 March 2018. 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 2018, aggregate of bank balances and cash, short-term bank deposits and pledged bank deposits of the Group amounted to HK\$3,574.4 million (2017: HK\$3,962.2 million), which are mainly denominated in Hong Kong dollars and Macau Patacas. The Group did not experience any significant exposure to foreign exchange rate fluctuation during the Year.

The Group's current assets and current liabilities as at 31 March 2018 were HK\$4,073.8 million and HK\$881.7 million (2017: HK\$4,279.1 million and HK\$817.6 million), respectively. During the Year, the Group fully repaid its bank borrowing of HK\$469.8 million and partially settled advances from non-controlling interests of HK\$13.2 million. As a result, the gearing ratio of the Group (expressed as a percentage of total borrowings over total equity) significantly decreased to 1.8% (2017: 10.8%) as of 31 March 2018. As at 31 March 2018, the advances from non-controlling interests amounted to HK\$107.6 million (2017: HK\$120.8 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.

Subsequent to the end of the Year, the Company had repurchased its own shares from the market in total of 1,935,000 shares at an aggregated consideration of HK\$3.3 million with an average price of HK\$1.729 per share from internal resources. Having considered the Group's cash reserves, the Directors believe the share repurchases would recognise 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.

### **Pledge of Assets**

As at 31 March 2018, assets with carrying values of approximately HK\$2.3 billion (2017: HK\$2.3 billion) were pledged to several banks as security for banking facilities, for a total of approximately HK\$100.0 million (2017: HK\$569.8 million) granted to the Group. In addition, the Group has a bank deposit of HK\$0.3 million (2017: HK\$0.3 million) pledged to a bank as security for the use of ferry ticket equipment provided by a third party to the Group.

### **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 307 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 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 Sociedade de Jogos de Macau, S.A. The introduction of other casino resorts in Cotai has resulted in market share dilution on the Macau Peninsula, where the Group's casino complex is located. Facing keen competition from the new casino resorts, the Group strived to mitigate the impact by improving customer segmentation. Leveraging its dedicated customer service team, the Group also strengthened efforts to create customer-centric experiences that build loyalty and engagement of high-roller gamblers. During the Year, the Group's gaming revenue declined slightly to HK\$1,253.4 million (2017: HK\$1,362.1 million).

#### *Gaming Concourse*

The gross win in the gaming concourse was HK\$1,293.1 million (2017: HK\$1,391.8 million) and revenue from the gaming concourse was HK\$723.2 million (2017: HK\$777.5 million), accounting for 48.3% of the Group's total revenue. There were 67 (2017: 67) tables in the gaming concourse. Average win per table per day was HK\$53,000 (2017: HK\$57,000).

#### *VIP Room*

The Group self-managed a VIP room with 10 (2017: 10) tables. The rolling amount was HK\$22.4 billion (2017: HK\$24.7 billion). Revenue from the VIP room was HK\$490.9 million (2017: HK\$546.4 million), accounting for 32.8% of the Group's total revenue. Average win per table per day was HK\$237,000 (2017: HK\$263,000).

#### *Slot Machines*

With a capacity of 172 (2017: 170) slot seats, the gross win from slot machines increased to HK\$82.7 million (2017: HK\$80.4 million). Revenue from the slot machines increased to HK\$39.3 million (2017: HK\$38.2 million), accounting for 2.6% of the Group's total revenue. Average win per seat per day grew up by 9.5% to HK\$1,431 (2017: HK\$1,307).

### **Hotel Revenue**

The Group's hotel revenue derives from the hospitality income of GEH and IHM. The hotel revenue was HK\$245.0 million (2017: HK\$251.1 million), accounting for 16.3% of the total revenue.

As of 31 March 2018, GEH and IHM provided 307 and 287 guest rooms, respectively. During the Year, the average room rates of GEH and IHM were HK\$872 (2017: HK\$820) per night and HK\$476 (2017: HK\$412) per night, with occupancy rates of 93% (2017: 91%) and 94% (2017: 95%), respectively. Combined room revenue was HK\$100.1 million (2017 HK\$99.2 million). Combined revenue from food and beverage was HK\$112.7 million (2017: HK\$119.4 million), while the aggregate amount of rental income and other revenue was HK\$32.2 million (2017: HK\$32.5 million).

## **OUTLOOK**

In view of intensified competition in Macau and other countries, the Group continuously enhances its overall efficiency and strengthens its market position through capitalising on its competitive edges, including a strong network of quality customers and outstanding customer service. In response to market conditions, the Group actively manages customer segmentation and focuses on the segment which offers the greatest potential for growth, in order to maximise its profitability. Meanwhile, the Group retains an active base of customers and ensures long-term satisfaction and loyalty by delivering compelling experiences that are tailored to individual customers.

Upon the completion of large-scale tourism projects, along with government initiatives to boost infrastructure development, Macau's position as a global leisure and tourism hub will be further reinforced. On the demand side, sustained growth in Macau's gaming market is expected, on the back of the increase in numbers of Chinese outbound travellers, which is largely driven by the expanding wealth effect and the rise of China's middle class. The Group is optimistic regarding growth prospects for Macau's gaming market, and is actively reviewing growth strategies and value-creating opportunities in Macau.

## **EMPLOYEES AND REMUNERATION POLICY**

As at 31 March 2018, the Group's number of employee was 1,164 (2017: 1,196). Total staff costs including Directors' remuneration and the other staff costs for the Year were HK\$441.8 million (2017: HK\$435.2 million). Employees' 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, retirement benefits and other competitive fringe benefits.

To provide incentives or rewards to the staff, the Company 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 recommended the payment of a final dividend of HK\$0.057 (2017: HK\$0.057) per share (“Final Dividend”) for the Year, amounting to approximately HK\$74,135,000 (2017: HK\$74,245,000), subject to the approval of the shareholders at the forthcoming annual general meeting of the Company (“AGM”) to be held on 9 August 2018 (Thursday). If being approved, the Final Dividend will be paid on 7 September 2018 (Friday) to shareholders whose names appear on the register of members of the Company on 17 August 2018 (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 3 August 2018 (Friday)
AGM	9 August 2018 (Thursday)

### **For ascertaining shareholders’ entitlement to the proposed Final Dividend**

Latest time to lodge transfers	4:30 p.m. on 15 August 2018 (Wednesday)
Book close dates	16 and 17 August 2018 (Thursday and Friday)
Record date	17 August 2018 (Friday)
Final Dividend payment date	7 September 2018 (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 (the “Auditor”), to the amounts set out in the Group’s audited consolidated financial statements for the Year. The work performed by the Auditor 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 the Auditor 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 Auditor. 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 consolidated financial position as at 31 March 2018 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 Appendix 10 of the Listing Rules – 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**

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 (<http://www.hkexnews.hk>) and the Company (<http://www.emp296.com>). 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, 20 June 2018

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