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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)

**ANNOUNCEMENT OF INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2016**

| | Six months ended 30 September | | Changes |
|--|-------------------------------|-------------------------|----------------|
| | 2016 | 2015 | |
| | (Unaudited) HK\$'000 | (Unaudited) HK\$'000 | |
| Revenue | <u>784,502</u> | <u>873,401</u> | <u>- 10.2%</u> |
| Gross profit | <u>499,587</u> | <u>576,735</u> | <u>- 13.4%</u> |
| Profit for the period attributable to owners of the Company | <u>105,145</u> | <u>111,546</u> | <u>- 5.7%</u> |
| Basic earnings per share | <u>HK\$0.08</u> | <u>HK\$0.09</u> | <u>- 11.1%</u> |
| Interim dividend per share | <u>HK\$0.025</u> | <u>HK\$0.028</u> | <u>- 10.7%</u> |

* For identification purposes only

The board of directors (the “Board” or “Directors”) of Emperor Entertainment Hotel Limited (the “Company”) announces the unaudited condensed consolidated results of the Company and its subsidiaries (collectively referred to as the “Group”) for the six months ended 30 September 2016 (the “Period”) together with the comparative figures for the corresponding period in 2015 as set out below.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 September 2016

| | Notes | Six months ended 30 September | |
|--|-------|---------------------------------|---------------------------------|
| | | 2016 (Unaudited) HK\$'000 | 2015 (Unaudited) HK\$'000 |
| Revenue | 3 | 784,502 | 873,401 |
| Cost of sales | | (21,752) | (21,691) |
| Cost of hotel and gaming operations | | (263,163) | (274,975) |
| Gross profit | | 499,587 | 576,735 |
| Other income | | 20,042 | 45,288 |
| Fair value changes of investment properties | | (24,000) | (10,600) |
| Other losses | 5 | (29,632) | (114,597) |
| Selling and marketing expenses | | (200,910) | (176,683) |
| Administrative expenses | | (118,881) | (124,824) |
| Finance costs | | (7,217) | (7,319) |
| Profit before taxation | 4&6 | 138,989 | 188,000 |
| Taxation | 7 | (18,027) | (31,662) |
| Profit for the period | | 120,962 | 156,338 |
| Other comprehensive income (expense) | | | |
| <i>Items that will not be reclassified subsequently to profit or loss:</i> | | | |
| Revaluation surplus of hotel property transferred to investment properties | | 30,500 | – |
| Deferred tax on revaluation surplus of hotel property transferred to investment properties | | (3,660) | – |
| Other comprehensive income for the period | | 26,840 | – |
| Total comprehensive income for the period | | 147,802 | 156,338 |
| Profit for the period attributable to: | | | |
| Owners of the Company | | 105,145 | 111,546 |
| Non-controlling interests | | 15,817 | 44,792 |
| | | 120,962 | 156,338 |
| Total comprehensive income for the period attributable to: | | | |
| Owners of the Company | | 121,249 | 111,546 |
| Non-controlling interests | | 26,553 | 44,792 |
| | | 147,802 | 156,338 |
| Earnings per share | 9 | | |
| Basic | | HK\$0.08 | HK\$0.09 |

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 September 2016

| | | As at | |
|---|-------|---|---|
| | Notes | 30 September 2016 (Unaudited) HK\$'000 | 31 March 2016 (Audited) HK\$'000 |
| Non-current assets | | | |
| Investment properties | | 618,200 | 664,200 |
| Property, plant and equipment | | 1,373,192 | 1,374,257 |
| Prepaid lease payments | | 483,405 | 491,405 |
| Deposits paid for acquisition of property, plant and equipment | | 4,831 | 5,752 |
| Goodwill | | 110,960 | 110,960 |
| | | <u>2,590,588</u> | <u>2,646,574</u> |
| Current assets | | | |
| Inventories, at cost | | 14,152 | 13,001 |
| Trade and other receivables | 10 | 293,455 | 297,706 |
| Prepaid lease payments | | 15,131 | 15,144 |
| Pledged bank deposits | | 328 | 655,718 |
| Short-term bank deposits | | – | 39,031 |
| Bank balances and cash | | 3,706,280 | 2,851,246 |
| | | <u>4,029,346</u> | <u>3,871,846</u> |
| Current liabilities | | | |
| Trade and other payables | 11 | 219,635 | 193,942 |
| Amounts due to fellow subsidiaries | | 3,887 | 4,923 |
| Amounts due to non-controlling interests of a subsidiary | | 126,000 | 132,000 |
| Taxation payable | | 475,692 | 453,912 |
| Bank borrowings – due within one year | | 40,500 | 37,800 |
| | | <u>865,714</u> | <u>822,577</u> |
| Net current assets | | <u>3,163,632</u> | <u>3,049,269</u> |
| Total assets less current liabilities | | <u>5,754,220</u> | <u>5,695,843</u> |
| Non-current liabilities | | | |
| Bank borrowings – due after one year | | 448,200 | 469,800 |
| Deferred taxation | | 102,569 | 102,662 |
| | | <u>550,769</u> | <u>572,462</u> |
| | | <u>5,203,451</u> | <u>5,123,381</u> |
| Capital and reserves | | | |
| Share capital | | 130 | 130 |
| Reserves | | 3,496,428 | 3,442,911 |
| Equity attributable to owners of the Company | | <u>3,496,558</u> | <u>3,443,041</u> |
| Non-controlling interests | | <u>1,706,893</u> | <u>1,680,340</u> |
| | | <u>5,203,451</u> | <u>5,123,381</u> |

Notes:

1. BASIS OF PREPARATION

The unaudited condensed consolidated financial statements have been prepared in accordance with the Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

These condensed consolidated financial statements should be read in conjunction with the Group’s annual financial statements for the year ended 31 March 2016.

Certain comparative amounts have been reclassified to conform with the current period’s presentation.

2. PRINCIPAL ACCOUNTING POLICIES

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

The accounting policies used in the unaudited condensed consolidated financial statements are consistent with those followed in the preparation of the Group’s annual financial statements for the year ended 31 March 2016, except as described below.

In the Period, the Group has applied, for the first time, the following amendments to Hong Kong Financial Reporting Standards (“HKFRSs”) and Hong Kong Accounting Standards (“HKASs”) issued by the HKICPA that are effective for accounting periods beginning on or after 1 April 2016.

| | |
|--|--|
| Amendments to HKFRS 11 | Accounting for acquisitions of interests in joint operations |
| Amendments to HKAS 1 | Disclosure initiative |
| Amendments to HKAS 16 and HKAS 38 | Clarification of acceptable methods of depreciation and amortisation |
| Amendments to HKAS 16 and HKAS 41 | Agriculture: Bearer plants |
| Amendments to HKAS 27 | Equity method in separate financial statements |
| Amendments to HKFRS 10, HKFRS 12 and HKAS 28 | Investment entities: Applying the consolidation exception |
| Amendments to HKFRSs | Annual improvements to HKFRSs 2012-2014 cycles |

The application of the above amendments to HKFRSs during the Period has had no material impact on the Group’s financial performance and positions for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

The Group has not early applied any new or revised HKFRSs that have been issued but are not yet effective for the current accounting period.

3. REVENUE

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

| | Six months ended 30 September | |
|---|-------------------------------|-------------------------|
| | 2016 | 2015 |
| | (Unaudited) HK\$'000 | (Unaudited) HK\$'000 |
| Service income from gaming operation in mass market hall | 405,462 | 470,431 |
| Service income from gaming operation in VIP room | 232,554 | 252,218 |
| Service income from gaming operation in slot machine hall | 19,578 | 17,214 |
| Hotel room income | 48,708 | 49,090 |
| Food and beverage sales | 61,609 | 63,500 |
| Rental income from investment properties | 11,993 | 15,881 |
| Others | 4,598 | 5,067 |
| | <u>784,502</u> | <u>873,401</u> |

4. SEGMENT INFORMATION

The executive directors of the Company (the "Executive Directors") have been identified as the chief operating decision maker ("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 nor 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. They 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, central administration costs, fair value changes of investment properties and impairment loss on prepaid lease payments (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 as below:

Segment revenue and results

For the six months ended 30 September 2016

| | Gaming operation (Unaudited) HK\$'000 | Hotel operation (Unaudited) HK\$'000 | Total (Unaudited) HK\$'000 | Elimination (Unaudited) HK\$'000 | Consolidated (Unaudited) HK\$'000 |
|---|--|---|----------------------------------|--|---|
| SEGMENT REVENUE | | | | | |
| External revenue | 657,594 | 126,908 | 784,502 | - | 784,502 |
| Inter-segment revenue | - | 1,411 | 1,411 | (1,411) | - |
| Total | <u>657,594</u> | <u>128,319</u> | <u>785,913</u> | <u>(1,411)</u> | <u>784,502</u> |
| Segment result based on the Adjusted EBITDA | <u>229,639</u> | <u>50,448</u> | <u>280,087</u> | | 280,087 |
| Bank interest income | | | | | 18,269 |
| Depreciation of property, plant and equipment | | | | | (64,973) |
| Exchange loss at corporate level | | | | | (16,632) |
| Release of prepaid lease payments | | | | | (7,565) |
| Fair value changes of investment properties | | | | | (24,000) |
| Finance costs | | | | | (7,217) |
| Unallocated corporate expenses | | | | | (38,980) |
| Profit before taxation | | | | | <u>138,989</u> |

For the six months ended 30 September 2015

| | Gaming operation (Unaudited) HK\$'000 | Hotel operation (Unaudited) HK\$'000 | Total (Unaudited) HK\$'000 | Elimination (Unaudited) HK\$'000 | Consolidated (Unaudited) HK\$'000 |
|---|--|---|----------------------------------|--|---|
| SEGMENT REVENUE | | | | | |
| External revenue | 739,863 | 133,538 | 873,401 | - | 873,401 |
| Inter-segment revenue | - | 1,411 | 1,411 | (1,411) | - |
| Total | <u>739,863</u> | <u>134,949</u> | <u>874,812</u> | <u>(1,411)</u> | <u>873,401</u> |
| Segment result based on the Adjusted EBITDA | <u>339,933</u> | <u>61,625</u> | <u>401,558</u> | | 401,558 |
| Bank interest income | | | | | 42,982 |
| Depreciation of property, plant and equipment | | | | | (75,972) |
| Exchange loss at corporate level | | | | | (73,398) |
| Release of prepaid lease payments | | | | | (8,290) |
| Fair value changes of investment properties | | | | | (10,600) |
| Impairment loss on prepaid lease payments | | | | | (41,199) |
| Finance costs | | | | | (7,319) |
| Unallocated corporate expenses | | | | | (39,762) |
| Profit before taxation | | | | | <u>188,000</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 both periods.

5. OTHER LOSSES

| | Six months ended 30 September | |
|---|-------------------------------|----------------|
| | 2016 | 2015 |
| | (Unaudited) | (Unaudited) |
| | HK\$'000 | HK\$'000 |
| Exchange loss | 16,632 | 73,398 |
| Loss arising from misappropriation of funds (<i>note</i>) | 13,000 | – |
| Impairment loss on prepaid lease payments | – | 41,199 |
| | <u>29,632</u> | <u>114,597</u> |

Note: The Group was aware that a 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 senior casino cashier was arrested for criminal investigation. Up to the approval date of these condensed consolidated financial statements, the criminal investigation is still on-going and no trial has been taken place.

The Internal Audit Department of the Group had carried out a thorough physical count of the chips on hand to ascertain the amount of funds misappropriated and finally determined that the loss arising from the Misappropriation of Funds amounted to HK\$13,000,000 which was charged to the consolidated statement of profit or loss during the Period. Chips on hand under note 10 “Trade and other receivables” was also adjusted downward by the same amount to reflect such loss for the Period.

6. PROFIT BEFORE TAXATION

| | Six months ended 30 September | |
|--|-------------------------------|---------------|
| | 2016 | 2015 |
| | (Unaudited) | (Unaudited) |
| | HK\$'000 | HK\$'000 |
| Profit before taxation has been arrived at after charging: | | |
| Commission expenses in gaming operation (included in selling and marketing expenses) | 166,220 | 144,599 |
| Depreciation of property, plant and equipment | 64,973 | 75,972 |
| Loss on disposal of property, plant and equipment | 20 | 76 |
| Release of prepaid lease payments | 7,565 | 8,290 |
| and after crediting: | | |
| Bank interest income | <u>18,629</u> | <u>42,982</u> |

7. TAXATION

| | Six months ended 30 September | |
|--------------------------------|-------------------------------|-----------------|
| | 2016 | 2015 |
| | (Unaudited) | (Unaudited) |
| | <i>HK\$'000</i> | <i>HK\$'000</i> |
| Macau Complementary Income Tax | | |
| – current tax | 21,780 | 34,172 |
| Deferred taxation | (3,753) | (2,510) |
| | <u>18,027</u> | <u>31,662</u> |

The Macau Complementary Income Tax is calculated at the applicable rate of 12% of the estimated assessable profits for both periods.

No provision for Hong Kong Profits Tax has been made in both periods as the estimated assessable profits for both periods are wholly absorbed by tax losses brought forward in previous years.

8. DIVIDENDS

A dividend of HK\$0.052 per share with an aggregate amount of approximately HK\$67,732,000 was paid to the shareholders of the Company during the Period as the final dividend of 2015/2016. A dividend of HK\$0.06 per share with an aggregate amount of approximately HK\$78,153,000 was paid to the shareholders of the Company during the corresponding period in 2015 as the final dividend of 2014/2015.

The Board has resolved to declare an interim dividend of HK\$0.025 per share for the financial year ending 31 March 2017 (2015/2016: HK\$0.028 per share) amounting to approximately HK\$32,564,000 (2015/2016: HK\$36,471,000).

9. EARNINGS PER SHARE

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

| | Six months ended 30 September | |
|--|-------------------------------|----------------------|
| | 2016 | 2015 |
| | (Unaudited) | (Unaudited) |
| | <i>HK\$'000</i> | <i>HK\$'000</i> |
| Earnings | | |
| Earnings (profit for the period attributable to the owners of the Company) for the purpose of basic earnings per share | <u>105,145</u> | <u>111,546</u> |
| | | |
| | Six months ended 30 September | |
| | 2016 | 2015 |
| | (Unaudited) | (Unaudited) |
| Number of shares | | |
| 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 periods.

10. TRADE AND OTHER RECEIVABLES

| | As at | |
|------------------------------------|---|---|
| | 30 September 2016 (Unaudited) HK\$'000 | 31 March 2016 (Audited) HK\$'000 |
| Trade receivables | 187,471 | 154,241 |
| Less: Allowance for doubtful debts | <u>(31,369)</u> | <u>(32,399)</u> |
| | 156,102 | 121,842 |
| Chips on hand (note 5) | 121,225 | 148,033 |
| Other receivables and prepayments | <u>16,128</u> | <u>27,831</u> |
| | <u>293,445</u> | <u>297,706</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 pattern, 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:

| | As at | |
|---------------|---|---|
| | 30 September 2016 (Unaudited) HK\$'000 | 31 March 2016 (Audited) HK\$'000 |
| 0 – 30 days | 127,172 | 90,874 |
| 31 – 60 days | 2,364 | 16,088 |
| 61 – 90 days | 2,595 | – |
| 91 – 180 days | 6,344 | 1,980 |
| Over 180 days | <u>17,627</u> | <u>12,900</u> |
| | <u>156,102</u> | <u>121,842</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

| | As at | |
|---|---|---|
| | 30 September 2016 (Unaudited) HK\$'000 | 31 March 2016 (Audited) HK\$'000 |
| Trade payables | 20,771 | 17,854 |
| Chips in custody and deposits from gaming patrons | 30,845 | 20,458 |
| Construction payables and accruals | 14,895 | 15,086 |
| Other payables and accruals | 88,932 | 94,053 |
| Accrued staff costs | 46,192 | 28,491 |
| Short-term advance | 18,000 | 18,000 |
| | 219,635 | 193,942 |
| | 219,635 | 193,942 |

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

| | As at | |
|---------------|---|---|
| | 30 September 2016 (Unaudited) HK\$'000 | 31 March 2016 (Audited) HK\$'000 |
| 0 – 30 days | 9,109 | 8,726 |
| 31 – 60 days | 10,399 | 8,404 |
| 61 – 90 days | 1,028 | 643 |
| 91 – 180 days | 91 | 80 |
| Over 180 days | 144 | 1 |
| | 20,771 | 17,854 |
| | 20,771 | 17,854 |

MANAGEMENT DISCUSSION AND ANALYSIS

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

MARKET REVIEW

The downturn in Macau's gaming market has persisted amid softened China's economy and a tighter regulatory environment. During the Period, Macau's gaming revenue declined by 4.1% year-on-year to MOP107,085 million. While the appetite for gaming activities remained tepid, the gaming revenue registered a rise of 1.1% year-on-year in August 2016, reversing the 26-month consecutive contractions and signalling a possible revival for the world's largest gaming hub.

FINANCIAL REVIEW

Overall Review

The Group's performance was impacted by challenging conditions in Macau's gaming market. During the Period, revenue of the Group inevitably declined by 10.2% to HK\$784.5 million (2015: HK\$873.4 million). The Group's earnings before interest, tax, depreciation and amortisation ("EBITDA") and after non-controlling interests was HK\$180.0 million (2015: HK\$274.1 million). As compared to the same period last year, the implication of both exchange loss and decrease in the valuation of the hotel properties was greatly diminished. As a result, the profit for the Period attributable to the owners of the Company only decreased by 5.7% to HK\$105.1 million (2015: HK\$111.5 million). Basic earnings per share was HK\$0.08 (2015: HK\$0.09). The Board declared an interim dividend of HK\$0.025 (2015: HK\$0.028) per share.

Capital Structure, Liquidity and Financial Resources

There was no change in capital structure during the Period. 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.

As at 30 September 2016, aggregate of bank balances and cash, short-term bank deposits and pledged bank deposits of the Group amounted to HK\$3,706.6 million (31 March 2016: HK\$3,546.0 million), which are mainly denominated in Hong Kong dollars and Macau Patacas.

Although the Group recorded an exchange loss after non-controlling interests of HK\$10.8 million as a results of the devaluation of Renminbi during the Period, the impact of such exchange loss was wholly offset by bank interest income after non-controlling interests of HK\$11.6 million.

Other than as described above, the Group did not experience any significant exposure to foreign exchange rate fluctuations during the Period.

The Group's current assets and current liabilities as at 30 September 2016 were HK\$4,029.3 million and HK\$865.7 million (31 March 2016: HK\$3,871.8 million and HK\$822.6 million), respectively. Advances from non-controlling interests of a subsidiary of the Company amounted to HK\$126.0 million (31 March 2016: HK\$132.0 million), which is 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. Bank borrowings of HK\$488.7 million (31 March 2016: HK\$507.6 million), denominated in Hong Kong dollars, is secured and interest bearing at prevailing market rates and has a fixed repayment term. During the Period, the Group partially repaid the advances from non-controlling interests and bank borrowings in aggregate of HK\$24.9 million. As a result, the gearing ratio of the Group (expressed as a percentage of total borrowings over total equity) decreased to 11.8% (31 March 2016: 12.5%) as of 30 September 2016.

Pledge of Assets

As at 30 September 2016, assets with carrying values of approximately HK\$2.3 billion (31 March 2016: HK\$3.0 billion) were pledged to several banks as security for banking facilities, for a total of approximately HK\$588.7 million (31 March 2016: HK\$1.2 billion) granted to the Group. In addition, the Group has a bank deposit of HK\$0.3 million (31 March 2016: 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 Peninsula, is an award-winning 26-storey gaming hotel with a total 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. 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. Given the continued weak sentiment towards the gaming sector during the Period, the Group's gaming revenue declined moderately to HK\$657.6 million (2015: HK\$739.9 million), accounting for 83.8% of the Group's total revenue.

Gaming Concourse

The gross win in the gaming concourse fell to HK\$726.3 million (2015: HK\$844.4 million). Revenue from the gaming concourse was HK\$405.4 million (2015: HK\$470.5 million), accounting for 51.7% of the Group's total revenue. There were 67 tables (2015: 67 tables) in the gaming concourse. Average win per table per day was HK\$59,000 (2015: HK\$69,000).

VIP Room

The Group self-managed a VIP room with 10 tables (2015: 10 tables), with the rolling amount increased to HK\$13.2 billion (2015: HK\$10.2 billion). Revenue from VIP room was HK\$232.6 million (2015: HK\$252.2 million), accounting for 29.6% of the Group's total revenue. Average win per table per day was HK\$224,000 (2015: HK\$243,000).

Slot Machines

The segment recorded a gross win of HK\$41.2 million (2015: HK\$38.8 million), with a capacity of 196 slot seats (2015: 196 slot seats). Segmental revenue was HK\$19.6 million (2015: HK\$17.2 million), accounting for 2.5% of the Group's total revenue. Average win per seat per day was HK\$1,209 (2015: HK\$1,100).

Hotel Revenue

The Group's hotel revenue derives from the hospitality income of GEH and IHM. The hotel revenue was HK\$126.9 million (2015: HK\$133.5 million), accounting for 16.2% of the total revenue.

As of 30 September 2016, GEH and IHM provided 307 and 287 guest rooms, respectively. During the Period, the average room rates of GEH and IHM were HK\$800 per night (2015: HK\$1,044 per night) and HK\$383 per night (2015: HK\$496 per night), with occupancy rates of 92% (2015: 86%) and 95% (2015: 90%), respectively. Combined room revenue was HK\$48.7 million (2015: HK\$49.1 million). Combined revenue from food and beverage was HK\$61.6 million (2015: HK\$63.5 million), while the aggregate amount of rental and other revenue was HK\$16.6 million (2015: HK\$20.9 million).

OUTLOOK

As addressed by Macau government in a Five-Year Plan, the city is on the road to reshape itself into a world tourism and leisure hub by introducing more leisure activities and non-gaming elements. The inauguration of upcoming large-scale tourism projects, along with continuous infrastructure improvement, are expected to drive a new wave of visitors and embark Macau on a new phase of development. The Group is cautiously optimistic towards the long term prospects of Macau, riding on its solid fundamentals and long-withstanding position as a premier global gaming and entertainment destination.

The gaming industry in Macau is still susceptible to headwinds including China's cooling economy, regulatory concerns and uncertainties in global monetary regimes. Despite of these challenging conditions, Macau's gross gaming revenue has shown signs of bottoming out since the second half of 2016. The Group remains committed to driving operational excellence through optimising gaming mix, maximising table utilisation and improving operating efficiency, thereby reinforcing its competitive edges to capture full potential in the fascinating city.

EMPLOYEES AND REMUNERATION POLICY

As at 30 September 2016, the Group's number of employee was 1,191 (31 March 2016: 1,234). Total staff costs including Directors' remuneration and the other staff costs for the Period were HK\$218.9 million (2015: HK\$218.6 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 has adopted a share option scheme, particulars of which will be set out in the section headed "Share Options" of the interim report of the Company.

INTERIM DIVIDEND

The Board declared an interim dividend of HK\$0.025 per share ("Interim Dividend") for the financial year ending 31 March 2017 (2015/2016: HK\$0.028 per share) amounting to approximately HK\$32,564,000 (2015/2016: HK\$36,471,000). The Interim Dividend will be payable on 15 December 2016 (Thursday) to shareholders whose names appear on the register of members of the Company on 9 December 2016 (Friday).

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed, for the purpose of determining shareholders' entitlement to the Interim Dividend, from 8 December 2016 (Thursday) to 9 December 2016 (Friday), during which period no transfer of shares will be registered.

In order to qualify for the Interim Dividend, all properly completed transfer forms 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 no later than 4:30 p.m. on 7 December 2016 (Wednesday).

REVIEW OF INTERIM RESULTS

The condensed consolidated financial statements of the Group have not been audited or reviewed by the Company's auditor, Deloitte Touche Tohmatsu, but have been reviewed by the audit committee of the Company, which comprises three Independent Non-executive Directors of the Company.

CORPORATE GOVERNANCE

Corporate Governance Code

The Company had complied throughout the Period with all the code provisions set out in the Corporate Governance Code contained 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 Period.

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 during the Period.

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

During the Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

PUBLICATION OF THE UNAUDITED INTERIM RESULTS AND INTERIM REPORT

The interim results announcement is published on the Stock Exchange's website (<http://www.hkexnews.hk>) and the Company's website (<http://www.emp296.com>). The interim 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, 16 November 2016

As at the date hereof, the Board comprises:

Non-executive Director:

Ms. Luk Siu Man, Semon

Executive Directors:

Mr. Wong Chi Fai
Ms. Fan Man Seung, Vanessa

Independent Non-executive Directors:

Mr. Yu King Tin
Ms. Kwan Shin Luen, Susanna
Ms. Lai Ka Fung, May