



英皇娛樂酒店有限公司  
**Emperor Entertainment Hotel Limited**  
Incorporated in Bermuda with limited liability (Stock Code: 296)

# 2020/2021 INTERIM REPORT



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# FINANCIAL SUMMARY

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 2020 (the “**Period**”).

	For the six months ended 30 September	
	2020 (Unaudited) HK\$' 000	2019 (Unaudited) HK\$' 000
Revenue	<b>92,875</b>	677,931
Gaming revenue	<b>51,094</b>	559,549
– From mass market hall	<b>37,205</b>	378,273
– From VIP room	<b>6,028</b>	160,263
Hotel revenue	<b>41,781</b>	118,382
Gross (loss) profit	<b>(108,425)</b>	408,052
(Loss) profit attributable to owners of the Company	<b>(141,810)</b>	177,200
Basic (loss) earnings per share	<b>HK\$(0.12)</b>	HK\$0.14
Interim dividend per share	<b>HK\$0.015</b>	HK\$0.030

## RESULTS

During the Period, the ongoing COVID-19 pandemic (the “**Pandemic**”) led to the implementation of travel restrictions, curtailment of transportation channels and various health control measures, and continued to hinder the development of Macau’s gaming market. Visitation to Macau decreased by 99.5% in the second quarter of 2020 and by 92.4% in the third quarter, compared to the equivalent periods in 2019. Gross gaming revenue in Macau decreased by 95.5% in the second quarter of 2020, and by 92.9% in the third quarter year-on-year.

The Group’s total revenue decreased by 86.3% to HK\$92.9 million (2019: HK\$677.9 million), due to the travel restrictions drastically reducing the number of visitor arrivals during the Period. The Group’s gaming revenue decreased by 90.9% to HK\$51.1 million (2019: HK\$559.5 million), accounting for 55.0% (2019: 82.5%) of the total revenue. Loss for the Period attributable to the owners of the Company was HK\$141.8 million (2019: profit of HK\$177.2 million). Basic loss per share was HK\$0.12 (2019: basic earnings per share of HK\$0.14). The Board has resolved to declare an interim dividend of HK\$0.015 (2019: HK\$0.030) per share.

# MANAGEMENT DISCUSSION AND ANALYSIS

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

## 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 mass market hall 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 a comfortable experience, catering to 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 Sociedade de Jogos de Macau, S.A. (“**SJM**”). During the Period, the Group entered into an addendum (the “**Addendum**”) with SJM for the continuation of the provision of management and promotion services to SJM in the GEH casino, as in the service agreement between an indirectly wholly-owned subsidiary of the Company and SJM dated 19 February 2010 (the “**2010 Service Agreement**”). Pursuant to the Addendum, the term of the 2010 Service Agreement has been extended to 26 June 2022, while the Group’s entitlement to service fees and all other major terms under the 2010 Service Agreement remain unchanged. Details of the Addendum were disclosed in the joint announcement of the Company and Emperor International Holdings Limited (“**Emperor International**”) dated 13 May 2020.

# MANAGEMENT DISCUSSION AND ANALYSIS

Due to the visitations slump as a result of travel restrictions, the Group's total gaming revenue inevitably decreased to HK\$51.1 million (2019: HK\$559.5 million) during the Period.

## ***Mass Market Hall***

The mass market gross win during the Period was HK\$65.3 million (2019: HK\$676.9 million). Revenue from the mass market hall was HK\$37.2 million (2019: HK\$378.3 million), contributing 72.8% (2019: 67.6%) of the Group's total gaming revenue. There were 67 (2019: 67) tables in the mass market hall. Average win per table per day was approximately HK\$5,300 (2019: HK\$55,000).

## ***VIP Room***

The Group self-managed a VIP room with 10 (2019: 10) tables. The rolling amount during the Period was HK\$226.9 million (2019: HK\$6.2 billion). Revenue from the VIP room was HK\$6.0 million (2019: HK\$160.2 million), contributing 11.8% (2019: 28.6%) of the Group's total gaming revenue. Average win per table per day was approximately HK\$5,800 (2019: HK\$154,000).

## ***Slot Machines***

With a capacity of 180 (2019: 180) slot seats as at 30 September 2020, the gross win from slot machines during the Period was HK\$16.6 million (2019: HK\$44.2 million). Revenue from the slot machines was HK\$7.9 million (2019: HK\$21.0 million), accounting for 15.4% (2019: 3.8%) of the Group's total gaming revenue. Average win per seat per day was HK\$502 (2019: HK\$1,354).

## ***Hotel Revenue***

The Group's hotel revenue derives from the hospitality income of GEH and IHM. The hotel revenue during the Period was HK\$41.8 million (2019: HK\$118.4 million), accounting for 45.0% (2019: 17.5%) of the Group's total revenue. As of 30 September 2020, GEH and IHM provided 311 and 287 guest rooms respectively. During the Period, the average room rates of GEH and IHM were HK\$536 (2019: HK\$846) per night and HK\$292 (2019: HK\$520) per night, with occupancy rates of 34% (2019: 94%) and 68% (2019: 93%), respectively. Total room revenue was HK\$15.2 million (2019: HK\$50.5 million). Total food and beverage revenue was HK\$18.7 million (2019: HK\$54.7 million), while the rental income and other revenue totalled HK\$7.9 million (2019: HK\$13.2 million).

# MANAGEMENT DISCUSSION AND ANALYSIS

## OUTLOOK

The unfavourable business environment arising from the Pandemic and Sino-US trade disputes continues to adversely impact the global tourism industry. Hence, the gaming and hospitality services in Macau – which comprise a key segment of tourism in Greater China, are severely disrupted. A market turnaround is yet to be seen and general market sentiment remains weak. Nevertheless, Macau will continue to advance its strategic development as a world-leading tourism and entertainment destination, by integrating into the Greater Bay Area and creating a more comprehensive transportation network interlinking Hong Kong, Zhuhai and Macau.

The quarantine measures within the Greater Bay area are likely to be further relaxed if the Pandemic is well contained. Based on the suppressed desire for leisure and pent-up consumption demand, the Group expects that visitation and spending will rebound afterwards, resulting in a boost for the tourism industry in Macau. The Group strives to stay competitive in the marketplace, and anticipates reaping the greatest possible benefits when the market revives.

## FINANCIAL INFORMATION

### Capital Structure, Liquidity and Financial Resources

The Group continued to maintain a strong financial position with aggregate of bank balances and cash, short-term bank deposits and pledged bank deposits of HK\$3,442.8 million as at 30 September 2020 (31 March 2020: HK\$3,544.3 million), which are mainly denominated in Hong Kong dollar and United States dollar. The Group funded its operations and capital expenditure by cash generated from its operations and deposits reserved at the banks. During the Period, the Group did not expose to significant foreign exchange rate risk as most of the Group's assets, liabilities and transactions were transacted at and denominated in the functional currency of its foreign operations as well as the assets denominated in United States dollar were well-supported under the existing Hong Kong-US dollar peg system.

# MANAGEMENT DISCUSSION AND ANALYSIS

The Group's current assets and current liabilities as at 30 September 2020 were HK\$3,608.9 million (31 March 2020: HK\$3,762.3 million) and HK\$437.5 million (31 March 2020: HK\$443.7 million), respectively. As at 30 September 2020, the advances from non-controlling interests of a subsidiary of the Company amounted to HK\$39.0 million (31 March 2020: HK\$39.0 million), which was denominated in Hong Kong dollar, unsecured, interest-free and repayable at the discretion of non-controlling interests and availability of surplus fund of the subsidiary. The Group was in a net cash position as at 30 September 2020 and hence its gearing ratio (calculated as net debt divided by total equity plus net debt) was zero (31 March 2020: zero).

During the Period, the Company had repurchased 16,715,000 shares (the "**Repurchased Shares**") of its own shares from the market using internal resources, at an aggregate consideration of HK\$19.1 million, and an average price of HK\$1.139 per share. The Repurchased Shares had been cancelled during the Period, and hence the total number of issued shares of the Company right after its cancellation was reduced by about 1.35% to 1,217,525,983 (31 March 2020: 1,234,240,983) shares and its issued share capital was HK\$121,000 as at 30 September 2020 (31 March 2020: HK\$123,000). Having considered the Group's strong cash reserves, the Directors believe the share repurchases would enhance value to the Company's shareholders and benefit the Company and its shareholders as a whole.

## Pledge of Assets

As at 30 September 2020, assets with carrying values of approximately HK\$2.1 billion (31 March 2020: HK\$2.1 billion) were pledged to two banks as security for banking facilities of a total of HK\$520.0 million (31 March 2020: HK\$520.0 million). In addition, the Group has a bank deposit of HK\$63.0 million (31 March 2020: Nil) pledged as security deposit for obtaining a bank guarantee in the amount of approximately Macau Patacas ("**MOP**") 64.5 million (equivalent to HK\$62.6 million) in favour of SJM for the Group's fulfilment of all its obligations as stipulated in the 2010 Service Agreement (as supplemented by the Addendum), and another bank deposit of HK\$0.4 million (31 March 2020: HK\$0.3 million) pledged as security deposit for the use of ferry ticket equipment provided by a third party.



# MANAGEMENT DISCUSSION AND ANALYSIS

## EMPLOYEES AND REMUNERATION POLICY

As at 30 September 2020, the Group's number of employees was 803 (31 March 2020: 949). Total staff costs including Directors' remuneration and the other staff costs for the Period were HK\$154.1 million (2019: HK\$225.0 million). Each employee's remuneration was determined in accordance with individual's responsibilities, competence and skills, experience and performance, as well as market pay levels. Staff benefits include medical and life insurance, retirement benefits and other competitive fringe benefits.

To provide incentive or reward to the staff, the Company has adopted a share option scheme, particulars of which is set out in the section headed "Share Options" of this interim report.

## INTERIM DIVIDEND

The Board has resolved to declare a dividend of HK\$0.015 per share (2019: HK\$0.030 per share) ("**Interim Dividend**") for the Period. The Interim Dividend will be payable on 18 December 2020 (Friday) to shareholders whose names appear on the register of members of the Company on 11 December 2020 (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 10 December 2020 (Thursday) to 11 December 2020 (Friday) (both days inclusive), 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 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. on 9 December 2020 (Wednesday).

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

For the six months ended 30 September 2020

	Notes	Six months ended 30 September	
		2020 (Unaudited) HK\$' 000	2019 (Unaudited) HK\$' 000
Revenue	3	92,875	677,931
Cost of sales		(6,500)	(19,169)
Cost of hotel and gaming operations		(194,800)	(250,710)
Gross (loss) profit		(108,425)	408,052
Other income		34,697	49,485
Fair value changes of investment properties		(14,300)	18,800
Other loss		(2,676)	(4,469)
Impairment allowance reversed for trade receivables		79	265
Selling and marketing expenses		(12,702)	(126,932)
Administrative expenses		(78,110)	(120,820)
Finance costs	5	(745)	(1,523)
(Loss) profit before taxation	6	(182,182)	222,858
Taxation credit (charge)	7	7,829	(22,638)
(Loss) profit for the period		(174,353)	200,220
Other comprehensive (expense) income <i>Items that may be reclassified subsequently to profit or loss:</i>			
Fair value changes of debt instruments at fair value through other comprehensive income		854	548
Reclassification adjustments for amount transferred to profit or loss upon disposal of debt instruments at fair value through other comprehensive income		(3,270)	31
Other comprehensive (expense) income for the period		(2,416)	579
Total comprehensive (expense) income for the period		(176,769)	200,799

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

For the six months ended 30 September 2020

	Note	Six months ended 30 September	
		2020 (Unaudited) HK\$' 000	2019 (Unaudited) HK\$' 000
(Loss) profit for the period attributable to:			
Owners of the Company		(141,810)	177,200
Non-controlling interests		(32,543)	23,020
		(174,353)	200,220
Total comprehensive (expense) income for the period attributable to:			
Owners of the Company		(144,409)	177,664
Non-controlling interests		(32,360)	23,135
		(176,769)	200,799
(Loss) earnings per share			
Basic	9	HK\$(0.12)	HK\$0.14

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2020

	Notes	As at	
		30 September 2020 (Unaudited) HK\$' 000	31 March 2020 (Audited) HK\$' 000
<b>Non-current assets</b>			
Investment properties	10	646,200	660,500
Property, plant and equipment	10	1,181,376	1,214,068
Right-of-use assets	10	469,332	479,393
Debt instruments at fair value through other comprehensive income		–	35,959
Deposits paid for acquisition of property, plant and equipment		13,286	15,086
Goodwill		110,960	110,960
		<b>2,421,154</b>	<b>2,515,966</b>
<b>Current assets</b>			
Inventories, at cost		14,332	15,070
Trade and other receivables	11	151,836	156,495
Debt instruments at fair value through other comprehensive income		–	46,415
Pledged bank deposits		63,351	348
Short-term bank deposits		2,049,173	980,656
Bank balances and cash		1,330,248	2,563,308
		<b>3,608,940</b>	<b>3,762,292</b>
<b>Current liabilities</b>			
Trade and other payables	13	135,715	140,214
Amounts due to fellow subsidiaries		5,928	7,377
Amounts due to non-controlling interests of a subsidiary		39,000	39,000
Taxation payable		254,312	254,146
Lease liabilities		2,539	2,936
		<b>437,494</b>	<b>443,673</b>

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2020

	Note	As at	
		30 September 2020 (Unaudited) HK\$' 000	31 March 2020 (Audited) HK\$' 000
Net current assets		3,171,446	3,318,619
Total assets less current liabilities		5,592,600	5,834,585
Non-current liabilities			
Lease liabilities		25,658	26,943
Deferred taxation		92,648	100,643
		118,306	127,586
Net assets		5,474,294	5,706,999
Capital and reserves			
Share capital	14	121	123
Reserves		4,496,282	4,696,625
Equity attributable to owners of the Company		4,496,403	4,696,748
Non-controlling interests		977,891	1,010,251
Total equity		5,474,294	5,706,999

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2020

	Attributable to owners of the Company											
	Share capital HK\$' 000	Treasury shares HK\$' 000	Share premium HK\$' 000	Capital redemption reserve HK\$' 000	Property revaluation reserve HK\$' 000	Investment revaluation reserve HK\$' 000	Legal reserve HK\$' 000	Other reserve HK\$' 000	Retained profits HK\$' 000	Sub-total HK\$' 000	Non-controlling interests HK\$' 000	Total HK\$' 000
At 1 April 2019 (Audited)	126	-	436,765	672	24,582	3,169	287	396,958	3,713,749	4,576,308	991,863	5,568,171
Profit for the period	-	-	-	-	-	-	-	-	177,200	177,200	23,020	200,220
Fair value changes of debt instruments at fair value through other comprehensive income	-	-	-	-	-	439	-	-	-	439	109	548
Reclassification adjustments for amount transferred to profit or loss upon disposal of debt instruments at fair value through other comprehensive income	-	-	-	-	-	25	-	-	-	25	6	31
Total comprehensive income for the period	-	-	-	-	-	464	-	-	177,200	177,664	23,135	200,799
Ordinary shares repurchased and cancelled (note 14)	(2)	-	-	2	-	-	-	-	(28,964)	(28,964)	-	(28,964)
Ordinary shares repurchased but not yet cancelled (note 14)	-	(2,820)	-	-	-	-	-	-	-	(2,820)	-	(2,820)
2019 final dividend paid in cash	-	-	-	-	-	-	-	-	(67,218)	(67,218)	-	(67,218)
At 30 September 2019 (Unaudited)	124	(2,820)	436,765	674	24,582	3,633	287	396,958	3,794,767	4,654,970	1,014,998	5,669,968
At 1 April 2020 (Audited)	123	-	436,765	675	24,582	2,599	287	396,958	3,834,759	4,696,748	1,010,251	5,706,999
Loss for the period	-	-	-	-	-	-	-	-	(141,810)	(141,810)	(32,543)	(174,353)
Fair value changes of debt instruments at fair value through other comprehensive income	-	-	-	-	-	684	-	-	-	684	170	854
Reclassification adjustments for amount transferred to profit or loss upon disposal of debt instruments at fair value through other comprehensive income	-	-	-	-	-	(3,283)	-	-	-	(3,283)	13	(3,270)
Total comprehensive expense for the period	-	-	-	-	-	(2,599)	-	-	(141,810)	(144,409)	(32,360)	(176,769)
Ordinary shares repurchased and cancelled (note 14)	(2)	-	-	2	-	-	-	-	(19,103)	(19,103)	-	(19,103)
2020 final dividend paid in cash	-	-	-	-	-	-	-	-	(36,833)	(36,833)	-	(36,833)
At 30 September 2020 (Unaudited)	121	-	436,765	677	24,582	-	287	396,958	3,637,013	4,496,403	977,891	5,474,294

# CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2020

	Six months ended 30 September	
	2020 (Unaudited) HK\$' 000	2019 (Unaudited) HK\$' 000
Net cash (used in) from operating activities	(140,611)	270,971
Net cash used in investing activities	(1,034,324)	(631,634)
Net cash used in financing activities	(58,125)	(104,614)
Net decrease in cash and cash equivalents	(1,233,060)	(465,277)
Cash and cash equivalents at the beginning of the reporting period	2,563,308	2,638,143
Cash and cash equivalents at the end of the reporting period, representing bank balances and cash	1,330,248	2,172,866

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

*For the six months ended 30 September 2020*

## 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 with 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 2020.

### 1A. SIGNIFICANT EVENTS IN THE CURRENT INTERIM PERIOD

The ongoing Pandemic and the corresponding quarantine measures as well as travel restrictions significantly reduced the visitation to the Group’s hotels, which had a negative impact on the Group’s results for the Period. Gaming revenue of the Group dropped apparently as the patrons refrained from making physical visits due to public health concerns. The operating hours of the Group’s hotel facilities and restaurants were also adjusted voluntarily in an effort to contain the spread of the Pandemic. Besides, the Group carried out rental relief measures to get through the tough time alongside its tenants.

Nevertheless, the Group had a net cash position with zero gearing ratio (calculated as net debt divided by total equity plus net debt) as of 30 September 2020 and so the Group’s financial position remained stable. Since the duration and future development of the Pandemic are uncertain, the relevant financial implication may remain in the future results. Given the Group will continue to strictly control daily operational and capital expenditures, it is expected that the adverse and material effect on the Group’s future operating results due to a prolonged outbreak will be mitigated.



# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2020

## 2. SIGNIFICANT ACCOUNTING POLICIES

The unaudited condensed consolidated financial statements have been prepared on the historical cost basis except for investment properties and debt instruments at fair value through other comprehensive income (“**FVTOCI**”) 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.

Other than changes in accounting policies resulting from application of amendments to Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the HKICPA, the accounting policies and methods of computation used in the unaudited condensed consolidated financial statements for the Period are consistent with those presented in the preparation of the Group’s annual financial statements for the year ended 31 March 2020.

### Application of amendments to HKFRSs

In the Period, the Group has applied the Amendments to References to the Conceptual Framework in HKFRS Standards and the following amendments to HKFRSs issued by the HKICPA, for the first time, which are mandatorily effective for the annual period beginning on or after 1 April 2020 for the preparation of the Group’s unaudited condensed consolidated financial statements:

Amendments to HKAS 1 and HKAS 8	Definition of Material
Amendments to HKFRS 3	Definition of a Business
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform

Except as described below, the application of the Amendments to References to the Conceptual Framework in HKFRS Standards and the amendments to HKFRSs in the current period has had no material impact on the Group’s financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

*For the six months ended 30 September 2020*

## 2. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

### **Impacts of application on Amendments to HKAS 1 and HKAS 8 Definition of Material**

The amendments provide a new definition of material that states “information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity”. The amendments also clarify that materiality depends on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements taken as a whole.

The application of the amendments in the current period had no impact on these condensed consolidated financial statements. Changes in presentation and disclosures on the application of the amendments, if any, will be reflected on the consolidated financial statements for the year ending 31 March 2021.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2020

## 3. REVENUE

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

	Six months ended 30 September	
	2020 (Unaudited) HK\$' 000	2019 (Unaudited) HK\$' 000
<b>Recognised over time:</b>		
Gaming operation:		
– Service income from gaming operation in mass market hall	37,205	378,273
– Service income from gaming operation in VIP room	6,028	160,263
– Service income from gaming operation in slot machine hall	7,861	21,013
Hotel operation:		
– Hotel room income	15,138	50,509
– Others	–	933
	<b>66,232</b>	<b>610,991</b>
<b>Recognised at a point in time:</b>		
Hotel operation:		
– Food and beverage sales	18,724	54,675
– Others	–	931
	<b>18,724</b>	<b>55,606</b>
<b>Revenue from contracts with customers</b>	<b>84,956</b>	<b>666,597</b>
<b>Total revenue arising from leases:</b>		
Hotel operation:		
– Operating lease payments that are fixed	7,919	11,334
	<b>92,875</b>	<b>677,931</b>

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2020

## 4. SEGMENT INFORMATION

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

For gaming operation, the CODM 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 CODM in relation to the above analysis. The CODM review the revenues and operating results of gaming operation as a whole and have identified the operating and reportable segments under HKFRS 8 Operating Segment 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 GEH in Macau

Hotel operation – Hotel operation in the GEH and the IHM including property investment income from investment properties in these hotels in Macau

The CODM assess the performance of individual operating and reportable segments based on a measure of adjusted (loss) earnings before interest, tax, depreciation and amortisation, exchange loss at corporate level, gain (loss) on disposal of debt instruments at FVTOCI and fair value changes of investment properties (the “**Adjusted LBITDA**” (2019: the “**Adjusted EBITDA**”)).

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2020

## 4. SEGMENT INFORMATION (Continued)

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

Information regarding the above segments is reported as below:

### Segment revenue and results

For the six months ended 30 September 2020

	Gaming operation (Unaudited) HK\$' 000	Hotel operation (Unaudited) HK\$' 000	Total (Unaudited) HK\$' 000	Elimination (Unaudited) HK\$' 000	Consolidated (Unaudited) HK\$' 000
<b>SEGMENT REVENUE</b>					
External revenue	51,094	41,781	92,875	-	92,875
Inter-segment revenue	-	600	600	(600)	-
<b>Total</b>	<b>51,094</b>	<b>42,381</b>	<b>93,475</b>	<b>(600)</b>	<b>92,875</b>
Segment result based on the Adjusted LBITDA	(122,885)	(16,537)	(139,422)		(139,422)
Bank interest income					29,589
Interest income from debt instruments at FVTOCI					921
Gain on disposal of debt instruments at FVTOCI					3,270
Depreciation of property, plant and equipment					(48,758)
Depreciation of right-of-use assets					(10,061)
Exchange loss at corporate level					(2,676)
Fair value changes of investment properties					(14,300)
Finance costs					(745)
<b>Loss before taxation</b>					<b>(182,182)</b>

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2020

## 4. SEGMENT INFORMATION (Continued)

### Segment revenue and results (Continued)

For the six months ended 30 September 2019

	Gaming operation (Unaudited) HK\$' 000	Hotel operation (Unaudited) HK\$' 000	Total (Unaudited) HK\$' 000	Elimination (Unaudited) HK\$' 000	Consolidated (Unaudited) HK\$' 000
<b>SEGMENT REVENUE</b>					
External revenue	559,549	118,382	677,931	-	677,931
Inter-segment revenue	-	811	811	(811)	-
<b>Total</b>	<b>559,549</b>	<b>119,193</b>	<b>678,742</b>	<b>(811)</b>	<b>677,931</b>
Segment result based on the Adjusted EBITDA	195,012	26,158	221,170		221,170
Bank interest income					35,320
Interest income from debt instruments at FVTOCI					13,103
Loss on disposal of debt instruments at FVTOCI					(31)
Depreciation of property, plant and equipment					(50,087)
Depreciation of right-of-use assets					(9,425)
Exchange loss at corporate level					(4,469)
Fair value changes of investment properties					18,800
Finance costs					(1,523)
<b>Profit before taxation</b>					<b>222,858</b>

Other than the segment information disclosed above, there was no other information reviewed by the CODM for both periods.

### Segment assets and liabilities

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

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2020

## 5. FINANCE COSTS

	Six months ended 30 September	
	2020 (Unaudited) HK\$' 000	2019 (Unaudited) HK\$' 000
Interest on lease liabilities	507	500
Bank charges	238	1,023
	<b>745</b>	<b>1,523</b>

## 6. (LOSS) PROFIT BEFORE TAXATION

	Six months ended 30 September	
	2020 (Unaudited) HK\$' 000	2019 (Unaudited) HK\$' 000
(Loss) profit before taxation has been arrived at after charging:		
Commission expenses in gaming operation (included in selling and marketing expenses)	4,832	97,821
Depreciation of property, plant and equipment	48,758	50,087
Depreciation of right-of-use assets	10,061	9,425
Exchange loss (included in other loss)	2,676	4,469
Loss on disposal of debt instruments at FVTOCI (included in administrative expenses)	-	31
and after crediting:		
Bank interest income (included in other income)	29,589	35,320
Interest income from debt instruments at FVTOCI (included in other income)	921	13,103
Gain on disposal of debt instruments at FVTOCI (included in other income)	3,270	-
Gain on disposal of property, plant and equipment	-	14

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2020

## 7. TAXATION CREDIT (CHARGE)

	Six months ended 30 September	
	2020 (Unaudited) HK\$' 000	2019 (Unaudited) HK\$' 000
Macau Complementary Tax ("CT")		
– current period	(166)	(22,421)
Deferred taxation	7,995	(217)
Taxation credit (charge)	7,829	(22,638)

The CT 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 the unaudited condensed consolidated financial statements as the Group has no estimated assessable profits for both periods.

## 8. DIVIDENDS

A dividend of HK\$0.030 per share with an aggregate amount of approximately HK\$36,833,000 was paid to the shareholders of the Company during the Period as the final dividend for the year ended 31 March 2020. A dividend of HK\$0.054 per share with an aggregate amount of approximately HK\$67,218,000 was paid to the shareholders of the Company during the corresponding period in 2019 as the final dividend for the year ended 31 March 2019.

The Board has resolved to declare an interim dividend of HK\$0.015 (2019: HK\$0.030) per share for the Period.



# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2020

## 9. (LOSS) EARNINGS PER SHARE

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

	Six months ended 30 September	
	2020 (Unaudited) HK\$' 000	2019 (Unaudited) HK\$' 000
<b>(Loss) earnings</b>		
(Loss) earnings ((loss) profit for the period attributable to owners of the Company) for the purpose of basic (loss) earnings per share	<b>(141,810)</b>	177,200

	Six months ended 30 September	
	2020 (Unaudited)	2019 (Unaudited)
<b>Number of shares</b>		
Weighted average number of ordinary shares in issue for the purpose of basic (loss) earnings per share	<b>1,230,402,185</b>	1,247,279,207

Diluted (loss) earnings per share is not presented as there was no dilutive potential ordinary share for both periods.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2020

## 10. MOVEMENTS OF INVESTMENT PROPERTIES, PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS

An analysis of movements of the Group's assets is as follows:

	Investment properties HK\$' 000	Property, plant and equipment HK\$' 000	Right-of-use assets HK\$' 000
<b>Fair value/Carrying amounts</b>			
At 1 April 2020 (Audited)	660,500	1,214,068	479,393
Additions	–	16,332	–
Disposals	–	(266)	–
Depreciation for the Period	–	(48,758)	(10,061)
Decrease in fair value	(14,300)	–	–
At 30 September 2020 (Unaudited)	646,200	1,181,376	469,332

The fair values of the Group's investment properties as at 30 September 2020 and 31 March 2020 have been arrived at on the basis of a valuation carried out on those dates by Memfus Wong Surveyors Limited, an independent firm of qualified professional property valuers not connected with the Group, in accordance with the HKIS Valuation Standards 2017 issued by The Hong Kong Institute of Surveyors.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2020

## 10. MOVEMENTS OF INVESTMENT PROPERTIES, PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS

(Continued)

As at 30 September 2020 and 31 March 2020, all investment properties were held for rental under operating leases. The investment properties are held within a business model of the Group whose business objective is to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale. In estimating the fair value of the properties, the highest and best use of the properties is their current use. There has been no change to the valuation technique during the Period. The valuation was arrived at with reference to market evidence of recent transaction prices for similar properties with adjustments to reflect different locations and conditions.

## 11. TRADE AND OTHER RECEIVABLES

	As at	
	30 September 2020 (Unaudited) HK\$' 000	31 March 2020 (Audited) HK\$' 000
Trade receivables	39,632	76,340
Less: Impairment allowance	(20,899)	(52,741)
	<b>18,733</b>	23,599
Chips on hand	54,414	69,277
Other receivables and prepayments	78,689	63,619
	<b>151,836</b>	156,495

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2020

## 11. TRADE AND OTHER RECEIVABLES (Continued)

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 impairment allowance) 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 2020 (Unaudited) HK\$' 000	31 March 2020 (Audited) HK\$' 000
0 – 30 days	5,288	8,915
31 – 60 days	45	1,212
61 – 90 days	500	568
91 – 180 days	–	4
Over 180 days	12,900	12,900
	<b>18,733</b>	23,599

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

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

*For the six months ended 30 September 2020*

## 12. IMPAIRMENT ASSESSMENT ON FINANCIAL ASSETS SUBJECT TO EXPECTED CREDIT LOSS (“ECL”) MODEL

The Group’s maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge obligations by the counterparties at the end of reporting period are arising from the carrying amounts of the respective recognised financial assets as stated in the unaudited condensed consolidated statement of financial position.

In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group performs impairment assessment under ECL model upon application of HKFRS 9 Financial Instruments on trade balances individually. In this regard, the Directors consider that the Group’s credit risk is significantly reduced.

During the Period, lifetime ECL of HK\$79,000 (2019: HK\$265,000) for trade receivable from an individual gaming patron was reversed upon the settlement from this patron, of which the management previously considered as credit-impaired. In addition, lifetime ECL of HK\$31,763,000 (2019: Nil) for trade receivable from an individual gaming patron was written off as the management determined the trade receivable from this patron, which was previously considered as credit-impaired, was no longer recoverable.

The management has also assessed all available forward looking information, including but not limited economic outlook and subsequent settlement of these receivables. As at 30 September 2020, impairment allowance of HK\$20,899,000 (31 March 2020: HK\$52,741,000) represents individually credit-impaired trade receivables from individual gaming patrons with an aggregate gross carrying amount of HK\$33,799,000 (31 March 2020: HK\$65,641,000) as the management considered the outstanding balances from these gaming patrons were uncollectible.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2020

## 12. IMPAIRMENT ASSESSMENT ON FINANCIAL ASSETS SUBJECT TO EXPECTED CREDIT LOSS (“ECL”) MODEL (Continued)

Lifetime ECL for the remaining trade receivables with an aggregate gross carrying amount of HK\$5,833,000 (31 March 2020: HK\$10,699,000) was insignificant and thus was not provided by the Group due to the low probability of default of those debtors based on historical credit loss experience. The management has also assessed all available forward looking information, including but not limited to the economic outlook of Macau and subsequent settlement of these customers, and concluded that the credit risk inherent in the Group’s outstanding trade receivables is insignificant.

The following table shows the movements in lifetime ECL that has been recognised for credit-impaired trade receivables from individual gaming patrons under the simplified approach:

	Lifetime ECL (credit-impaired) HK\$’000
At 1 April 2020 (Audited)	52,741
Changes due to financial instruments recognised at 1 April 2020:	
– impairment loss reversed	(79)
– write-off	(31,763)
At 30 September 2020 (Unaudited)	20,899

For the pledged bank deposits, short-term bank deposits and bank balances, impairment allowance was insignificant and thus negligible to be made since the management considers the probability of default is negligible as such deposits are placed in reputable banks with high credit ratings assigned by international credit-rating agencies, and have low credit risk.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2020

## 12. IMPAIRMENT ASSESSMENT ON FINANCIAL ASSETS SUBJECT TO EXPECTED CREDIT LOSS (“ECL”) MODEL (Continued)

For other receivables including chips on hand, impairment allowance was insignificant and thus was not provided since the management considers the probability of default is minimal after assessing the counterparties’ financial background and creditability.

For debt instruments at FVTOCI, the Group only invested in debt securities with low credit risk. The Group’s debt instruments at FVTOCI were all listed bonds that were graded in the high credit ratings among credit-rating agencies and therefore were considered to be low credit risk investments. During the six months ended 30 September 2019, impairment allowance was insignificant and thus was not provided since the management considered the probability of default was negligible. During the Period, the Group had disposed of all these debt instruments at FVTOCI.

## 13. TRADE AND OTHER PAYABLES

	As at	
	30 September 2020 (Unaudited) HK\$’ 000	31 March 2020 (Audited) HK\$’ 000
Trade payables	11,110	7,616
Chips in custody and deposits from gaming patrons	20,548	17,905
Construction payables and accruals	1,839	2,670
Other payables and accruals	70,762	77,533
Accrued staff costs	13,456	16,490
Short-term advance	18,000	18,000
	<b>135,715</b>	<b>140,214</b>

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2020

## 13. 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:

	As at	
	30 September 2020 (Unaudited) HK\$' 000	31 March 2020 (Audited) HK\$' 000
0 – 30 days	4,867	1,744
31 – 60 days	6,074	5,829
61 – 90 days	14	43
91 – 180 days	45	–
Over 180 days	110	–
	<b>11,110</b>	<b>7,616</b>

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



# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2020

## 14. SHARE CAPITAL AND TREASURY SHARES

	Number of shares	Share capital HK\$' 000
<b>Ordinary shares of HK\$0.0001 each</b>		
<b>Authorised:</b>		
At 1 April 2019, 30 September 2019, 1 April 2020 and 30 September 2020	2,000,000,000,000	200,000
<b>Issued and fully paid:</b>		
At 1 April 2019 (Audited)	1,258,825,983	126
Share repurchased and cancelled (note (a))	(17,980,000)	(2)
At 30 September 2019 (Unaudited)	1,240,845,983	124
At 1 April 2020 (Audited)	1,234,240,983	123
Share repurchased and cancelled (note (b))	(16,715,000)	(2)
At 30 September 2020 (Unaudited)	1,217,525,983	121

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2020

## 14. SHARE CAPITAL AND TREASURY SHARES (Continued)

Notes:

- (a) During the six months ended 30 September 2019, the Company had repurchased 19,835,000 shares of its own shares from the market at an aggregate consideration of HK\$31,786,000 (including the relevant transaction costs and expenses of HK\$103,000). The average price of the repurchased shares was HK\$1.597 per share.

Out of these repurchased shares, 17,980,000 shares at an aggregate consideration of HK\$28,964,000 were cancelled during the six months ended 30 September 2019, and the remaining 1,855,000 shares at an aggregate consideration of HK\$2,822,000 were cancelled in October 2019. As at 30 September 2019, these remaining 1,855,000 shares with the carrying amount of HK\$2,820,000 were classified as treasury shares and included in the condensed consolidated statement of changes in equity.

- (b) During the Period, the Company had repurchased and cancelled 16,715,000 shares of its own shares from the market at an aggregate consideration of HK\$19,103,000 (including the relevant transaction costs and expenses of HK\$66,000). The average price of the Repurchased Shares was HK\$1.139 per share.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2020

## 15. PLEDGE OF ASSETS

- (a) As at 30 September 2020, certain assets of the Group were pledged to banks to secure for banking facilities granted by the banks to the Group. The carrying values of these assets at the end of the reporting period are as follows:

	As at	
	30 September 2020 (Unaudited) HK\$' 000	31 March 2020 (Audited) HK\$' 000
Hotel properties	925,553	943,191
Investment properties	646,200	660,500
Right-of-use assets	467,189	475,964
Others (note)	35,136	48,722
	<b>2,074,078</b>	<b>2,128,377</b>

Note: Others represent floating charges over certain other assets of the Group including principally property, plant and equipment (other than hotel properties), inventories, trade and other receivables and bank balances.

- (b) As at 30 September 2020, the Group had a bank deposit of HK\$63,000,000 (31 March 2020: Nil) pledged to a bank to secure a bank facility granted to a wholly-owned subsidiary of the Company. The bank facility represents a bank guarantee of approximately MOP64,523,000 (equivalent to HK\$62,644,000) for the period up to 26 June 2023, which is made in favour of SJM for the Group's fulfilment of all its obligations of provision of services in the casino by the Group to SJM, as stipulated under the 2010 Service Agreement (as supplemented by the Addendum).
- (c) As at 30 September 2020, the Group also had a bank deposit of HK\$351,000 (31 March 2020: HK\$348,000) pledged to a bank to secure for the use of ferry ticket equipment provided by a third party to the Group.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2020

## 16. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

The fair values of financial assets with standard terms and conditions and traded in active liquid markets are determined with reference to quoted market bid prices.

The Directors consider that the carrying amounts of all other financial assets and financial liabilities recorded at amortised cost at the end of each reporting period approximate their corresponding fair values.

Some of the Group's financial assets are measured at fair value at the end of the reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used).

### Fair values of the Group's financial assets that are measured at fair value on a recurring basis

Financial assets	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)
	30 September 2020 (Unaudited) HK\$' 000	31 March 2020 (Audited) HK\$' 000		
Debt instruments at FVTOCI	-	82,374	Level 1	Quoted bid prices in an active market

There was no transfers between Level 1 and other Levels during the Period.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2020

## 17. CAPITAL COMMITMENTS

	As at	
	30 September 2020 (Unaudited) HK\$' 000	31 March 2020 (Audited) HK\$' 000
Contracted for but not provided in the condensed consolidated financial statements, net of amounts paid, in respect of property, plant and equipment	8,240	4,658

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2020

## 18. RELATED PARTY TRANSACTIONS

- (a) During the Period, the Group had the following significant transactions with related parties:

	Six months ended 30 September	
	2020 (Unaudited) HK\$' 000	2019 (Unaudited) HK\$' 000
Advertising fee to a related company	32	217
Commission to Dr. Yeung Sau Shing, Albert (“ <b>Dr. Albert Yeung</b> ”), in his capacity of a patron of the Group’s VIP room	–	172
Professional service fee to a related company	195	210
Purchase of property, plant and equipment and merchandising goods from related companies and a fellow subsidiary	336	374
Reimbursement of administrative expenses to fellow subsidiaries	5,767	4,150
Rental income from a related company	1,641	2,362
Secretarial fee to a related company controlled by a Director	200	200

Note: Save as disclosed above, the above related companies and fellow subsidiaries are controlled by the relevant private discretionary trusts of which Dr. Albert Yeung is the founder and settlor.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2020

## 18. RELATED PARTY TRANSACTIONS (Continued)

- (b) The key management personnel of the Company are the Directors and the total remunerations paid to them during the Period are set out below:

	Six months ended 30 September	
	2020 (Unaudited) HK\$' 000	2019 (Unaudited) HK\$' 000
Fees	580	580

- (c) At the end of the reporting period, the Group had the following balances with related parties:

	As at	
	30 September 2020 (Unaudited) HK\$' 000	31 March 2020 (Audited) HK\$' 000
Amount due to a fellow subsidiary	5,928	7,377
Amounts due to non-controlling interests of a subsidiary	39,000	39,000

# DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SECURITIES

As at 30 September 2020, the following Director(s) and chief executive(s) of the Company had or were deemed or taken to have interests and short positions in the following shares, underlying shares and debentures of the Company or its associated corporation(s) (within the meaning of Part XV of the Securities and Futures Ordinance (“SFO”)) as recorded in the register maintained by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors adopted by the Company (“EEH Securities Code”):

## (A) LONG POSITIONS INTERESTS IN THE COMPANY

### Ordinary shares of HK\$0.0001 each of the Company (“Shares”)

Name of Director	Capacity/ Nature of interests	Number of issued Shares interested	% of issued voting Shares
Ms. Luk Siu Man, Semon (“Ms. Semon Luk”)	Interest of spouse	851,352,845	69.92%

Note: These Shares were held by Emperor Entertainment Hotel Holdings Limited, an indirect wholly-owned subsidiary of Emperor International. Emperor International is a company with its shares listed in Hong Kong and as at 30 September 2020, approximately 74.71% of its issued shares was held by Emperor International Group Holdings Limited (“**Emperor International Group Holdings**”). The entire issued share of Emperor International Group Holdings is wholly-owned by Albert Yeung Holdings Limited (“**AY Holdings**”) which is held by First Trust Services GmbH (“**First Trust**”), being the trustee of a private discretionary trust founded by Dr. Albert Yeung who is deemed to have interests in the said Shares. By virtue of being the spouse of Dr. Albert Yeung, Ms. Semon Luk also had deemed interests in the same Shares.



# DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SECURITIES

## (B) LONG POSITIONS INTERESTS IN ASSOCIATED CORPORATIONS OF THE COMPANY

### (i) Ordinary shares

Name of Director	Name of associated corporation	Capacity/ Nature of interests	Number of ordinary shares interested	% of issued voting shares
Ms. Semon Luk	Emperor International	Interest of spouse	2,747,610,489 <i>(Note)</i>	74.71%
	Emperor Watch & Jewellery Limited ("Emperor W&J")	Interest of spouse	4,290,850,000 <i>(Note)</i>	63.29%
	Emperor Culture Group Limited ("Emperor Culture")	Interest of spouse	2,371,313,094 <i>(Note)</i>	73.80%
	Ulferts International Limited ("Ulferts")	Interest of spouse	600,000,000 <i>(Note)</i>	75.00%
Ms. Fan Man Seung, Vanessa	Emperor International	Beneficial owner	10,500,000	0.29%
Mr. Yu King Tin	Emperor W&J	Beneficial owner	80,000	0.001%

Note: These shares were ultimately owned by respective private discretionary trusts which are also founded by Dr. Albert Yeung. By virtue of being the spouse of Dr. Albert Yeung, Ms. Semon Luk had deemed interests in the same shares.

### (ii) Debentures

Name of Director	Name of associated corporation	Capacity/Nature of interests	Amount of debentures held
Mr. Wong Chi Fai	Emperor International	Interest of controlled corporation	HK\$2,000,000

Save as disclosed above, as at 30 September 2020, none of the Directors nor chief executives of the Company had any interests or short positions in any Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO).

## OTHER PERSONS' INTERESTS IN SECURITIES

So far as is known to any Directors or chief executives of the Company, as at 30 September 2020, the persons or corporations (other than a Director or a chief executive of the Company) who had, or were deemed or taken to have an interest and short positions in the Shares or underlying Shares as recorded in the register required to be kept by the Company under Section 336 of the SFO (“**DI Register**”) were as follows:

### LONG POSITIONS IN SHARES

Name	Capacity/ Nature of interests	Number of Shares interested	% of issued voting Shares
Emperor International	Interest in a controlled corporation	851,352,845	69.92%
AY Holdings	Interest in a controlled corporation	851,352,845	69.92%
First Trust	Trustee of a private discretionary trust	851,352,845	69.92%
Dr. Albert Yeung	Founder of a private discretionary trust	851,352,845	69.92%

Note: These Shares were the same Shares as those set out under Section (A) of “Directors’ and Chief Executives’ Interests in Securities” above.

Save as disclosed above, as at 30 September 2020, the Directors or chief executives of the Company were not aware of any persons or corporations (other than the Directors and chief executives of the Company) who had, or were deemed or taken to have, any interests or short positions in Shares or underlying Shares as recorded in the DI Register.

# CORPORATE GOVERNANCE AND OTHER INFORMATION

## SHARE OPTIONS

To enable the Group to attract, retain and motivate talented participants to strive for future developments and expansion of the Group, the Company has adopted a shares option scheme on 15 August 2013. Since then, no share options were granted thereunder.

## CORPORATE GOVERNANCE CODE

The Company has complied throughout the Period with all the code 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 EEH Securities Code as its own code of conduct regarding securities transactions by Directors on no less exacting terms than the required standards set out in Model Code for Securities Transactions by Directors of Listed Issuers (“**Model Code**”) in Appendix 10 of the Listing Rules. Having made specific enquiry to the Directors, all of them confirmed that they had complied with the required standard of dealings as set out in the Model Code and 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 throughout the Period.

## CHANGE IN INFORMATION OF DIRECTORS

The Company is not aware of any change in the Directors’ information which is required to be disclosed pursuant to Rule 13.51(B) of the Listing Rules since the date of the 2019/2020 Annual Report.

## REVIEW OF INTERIM REPORT

The condensed consolidated financial statements of the Group for the Period as set out in this interim report have not been audited nor reviewed by the Company’s auditor, Deloitte Touche Tohmatsu (Registered Public Interest Entity Auditor), but this report has been reviewed by the audit committee of the Company, which comprises the three Independent Non-executive Directors of the Company.

# CORPORATE GOVERNANCE AND OTHER INFORMATION

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

During the Period, the Company repurchased a total of 16,715,000 Shares at an aggregate consideration of HK\$19,037,000 (before expenses) on the Stock Exchange, the particulars of which are as follows:

Month of Shares repurchase	Number of Shares repurchased	Highest price paid per Share HK\$	Lowest price paid per Share HK\$	Aggregate consideration paid (before expenses) HK\$
July 2020	5,205,000	1.08	1.04	5,518,350
August 2020	4,220,000	1.20	1.08	4,876,800
September 2020	7,290,000	1.21	1.16	8,641,850
Total	16,715,000			19,037,000

As at 30 September 2020, all of the Repurchased Shares were cancelled. The repurchases were made with a view to enhancing the net asset value and/or earnings per Share.

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

As at 30 September 2020, there was a total of 1,217,525,983 (31 March 2020: 1,234,240,983) Shares in issue.

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

Hong Kong, 25 November 2020

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

This Interim Report (in both English and Chinese versions) is available to any shareholder of the Company in printed form or on the websites of the Stock Exchange (<https://www.hkexnews.hk>) and the Company (<https://www.emp296.com>). In order to protect the environment, the Company highly recommends the shareholders to receive electronic copy of this Interim Report. Shareholders may have the right to change their choice of receipt of our future Corporate Communications at any time by reasonable notice in writing to the Company's Hong Kong Branch Share Registrar, Tricor Secretaries Limited, by post at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong or by email at [is-enquiries@hk.tricorglobal.com](mailto:is-enquiries@hk.tricorglobal.com).