



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

於百慕達註冊成立之有限公司 (股份代號: 296)
Incorporated in Bermuda with limited liability (Stock Code: 296)


INTERIM REPORT
2021/2022





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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 2021 (the “**Period**”).

	For the six months ended 30 September	
	2021 (Unaudited) HK\$'000	2020 (Unaudited) HK\$'000
Revenue	223,379	92,875
Gaming revenue	149,731	51,094
– From mass market hall	108,597	37,205
– From VIP room	31,655	6,028
Hotels and serviced apartments revenue	73,648	41,781
Gross loss	(22,131)	(108,425)
Loss attributable to owners of the Company	(83,968)	(141,810)
Basic loss per share	HK\$(0.07)	HK\$(0.12)
Dividends		
Special dividend per share	HK\$0.05*	–
Interim dividend per share	HK\$0.015	HK\$0.015

* the relevant special dividend was distributed in June 2021

MANAGEMENT DISCUSSION AND ANALYSIS

RESULTS

Supported by a gradual recovery of the gaming market in Macau, the Group's total revenue increased to HK\$223.4 million (2020: HK\$92.9 million) during the Period. Though there were a few sporadic Covid-19 outbreaks in Macau and mainland China during the Period, visitation to Macau has been picking up and entertainment and consumption sentiments have improved. The Group's gaming revenue increased by 193.0% to HK\$149.7 million (2020: HK\$51.1 million), accounting for 67.0% (2020: 55.0%) of the total revenue. Loss for the Period attributable to the owners of the Company was narrowed to HK\$84.0 million (2020: HK\$141.8 million). Basic loss per share was HK\$0.07 (2020: HK\$0.12). The Board has resolved to declare an interim dividend of HK\$0.015 (2020: HK\$0.015) per share. Together with the special dividend of HK\$0.05 per share, which was distributed in June 2021, dividends relevant to the Period totalled HK\$0.065 per share.

BUSINESS REVIEW

The Group principally engages in provision of entertainment and hospitality services. It currently operates five hotel and hotel-related projects in Macau and Hong Kong, as follows:

- Grand Emperor Hotel (“**Grand Emperor Hotel**”), a hotel with gaming facilities in Macau;
- The Emperor Hotel (“**Emperor Hotel**”) and Inn Hotel Macau (“**Inn Hotel**”), which are in Hong Kong and Macau, respectively; and
- The Unit Serviced Apartments (“**The Unit**”) and MORI MORI Serviced Apartments (“**MORI MORI**”) in Hong Kong.

On 28 May 2021, the Group acquired Emperor Hotel, The Unit and MORI MORI from Emperor International Holdings Limited (“**Emperor International**”), its parent company, through the acquisition of subsidiaries (details as shown under the section headed “Financial and Other Information”) at a cash consideration of approximately HK\$2,048.8 million (the “**Acquisition**”). Upon completion of the Acquisition, the Group retains its core focus on gaming hotel operations, with the sources of income widened by expanding its hospitality business coverage beyond Macau to also include Hong Kong.

MANAGEMENT DISCUSSION AND ANALYSIS

About Grand Emperor Hotel

Grand Emperor Hotel, 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 6 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, Grand Emperor Hotel offers a wide range of amenities including fitness centre, sauna and spa facilities, as well as 5 restaurants and bars boasting fine cuisines from all around the world. 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.

About Emperor Hotel

Emperor Hotel, a 29-storey hotel in Wan Chai, is the Group's signature project in Hong Kong. It offers 299 guest rooms together with leisure, dining and parking facilities, with a gross floor area of approximately 115,000 square feet. Emperor Hotel creates a comfortable experience, catering to the lifestyles of both leisure and business travellers. Golden Valley, a Cantonese & Sichuan cuisine within the hotel, had been rated as a Michelin 1-star restaurant.

About Inn Hotel

Located at the heart of Macau's Taipa Island, Inn Hotel is a 17-storey hotel with a gross floor area of approximately 209,000 square feet, and 287 guest rooms. Through extending business coverage from the Macau Peninsula to Taipa, it enables the Group to fully capture the potential of Macau's hospitality market.

About The Unit

The Unit, a 21-storey, 68-unit block in Happy Valley, is a highly sought-after residence given its ease of access to the central business district. The area is vibrant, conveniently located near Hong Kong's commercial districts, and affords easy access to the shopping districts in Causeway Bay, Hong Kong Jockey Club and Hong Kong Stadium for international sports events, and Hong Kong Sanatorium & Hospital for medical check-ups, helping to ensure solid short-term leasing demand.

About MORI MORI

Situated at the vibrant junction of Wan Chai and Causeway Bay, MORI MORI provides 18 stylish serviced apartments for expats, MICE visitors, business travellers and overseas professionals, on short-and long-term leases. With state-of-the-art facilities and professional customer services, MORI MORI redefines the contemporary way of life.

MANAGEMENT DISCUSSION AND ANALYSIS

Gaming Revenue

The Group's casino in Grand Emperor Hotel is operated under the gaming licence held by SJM Resorts, Limited ("SJM"), previously known as Sociedade de Jogos de Macau, S.A..

Mass Market Hall

The mass market gross win during the Period was HK\$190.7 million (2020: HK\$65.3 million). Revenue from the mass market hall increased by 191.9% to HK\$108.6 million (2020: HK\$37.2 million), contributing 72.5% (2020: 72.8%) of the Group's total gaming revenue. There were 67 (2020: 67) tables in the mass market hall. Average win per table per day was approximately HK\$15,600 (2020: HK\$5,300).

VIP Room

The Group self-managed a VIP room with 10 (2020: 10) tables. The rolling amount during the Period was HK\$1,962.4 million (2020: HK\$226.9 million). Revenue from the VIP room increased by 426.7% to HK\$31.6 million (2020: HK\$6.0 million), contributing 21.2% (2020: 11.8%) of the Group's total gaming revenue. Average win per table per day was approximately HK\$30,500 (2020: HK\$5,800).

Slot Machines

With a capacity of 180 (2020: 180) slot seats as at 30 September 2021, the gross win from slot machines during the Period was HK\$20.0 million (2020: HK\$16.6 million). Revenue from the slot machines increased by 20.3% to HK\$9.5 million (2020: HK\$7.9 million), accounting for 6.3% (2020: 15.4%) of the Group's total gaming revenue. Average win per seat per day was HK\$607 (2020: HK\$502).

Hotels and Serviced Apartments Revenue

Although travel restrictions continued to impact on the tourism and hospitality industries during the Period, the Group's revenue base was widened after the Acquisition on 28 May 2021, which resulted in the hotels and serviced apartments revenue for the Period increasing by 76.3% to HK\$73.7 million (2020: hotel revenue of HK\$41.8 million), accounting for 33.0% (2020: 45.0%) of the Group's total revenue. Total room revenue was HK\$24.6 million (2020: HK\$15.2 million). Total food and beverage revenue was HK\$38.1 million (2020: HK\$18.7 million), while the rental income and other revenue totalled HK\$11.0 million (2020: HK\$7.9 million).

MANAGEMENT DISCUSSION AND ANALYSIS

OUTLOOK

With the expansion of the middle-income group in mainland China, more comprehensive transportation linkages, plus further integration into the Greater Bay Area, Macau's position as a global leisure and tourism hub will be reinforced, as well as Hong Kong's position as a popular shopping destination and international finance centre. These will benefit the entertainment and hospitality services sectors in Macau and Hong Kong, given that travellers invariably include both cities in a single itinerary, due to their close proximity while having distinct characteristics yet complementary positioning. With the Group now strategically owning several hotels and serviced apartments in Hong Kong and Macau, it will be able to adopt a comprehensive marketing strategy for its hospitality business as a whole, and deliver unparalleled services to travellers visiting both these cities.

Amid the uncertainties caused by Covid-19, the Group will continue to closely monitor the development of the pandemic situation and strictly adhere to all necessary safety measures in its hotels and serviced apartments. As soon as the travel restrictions and health quarantine measures across borders within the Greater Bay area are eased, the Group expects that visitation and spending will rebound afterwards, resulting in a boost to the tourism industry in Macau and Hong Kong altogether. The Group strives to stay competitive in the marketplace, and anticipates reaping the greatest possible benefits when the market revives.

FINANCIAL AND OTHER INFORMATION

Capital Structure, Liquidity and Financial Resources

During the Period, the Group utilised approximately HK\$2,048.8 million for the Acquisition, hence its aggregate of bank balances and cash, short-term bank deposits and pledged bank deposits decreased to HK\$1,166.3 million (31 March 2021: HK\$3,340.1 million) as at 30 September 2021, which is mainly denominated in Hong Kong dollar (31 March 2021: Hong Kong dollar and Renminbi). The Group continued to maintain a strong financial position and funded its operations and capital expenditure by cash generated from its operations and deposits reserved at the banks. During the Period, the Group was not exposed to significant foreign exchange rates as most of the Group's assets, liabilities and transactions were transacted at and denominated in the functional currency of its foreign operations.

MANAGEMENT DISCUSSION AND ANALYSIS

The Group's current assets and current liabilities as at 30 September 2021 were HK\$1,260.3 million (31 March 2021: HK\$3,458.1 million) and HK\$371.0 million (31 March 2021: HK\$357.3 million), respectively. As at 30 September 2021, the advances from non-controlling interests of subsidiaries of the Company totalled HK\$39.5 million (31 March 2021: the advances from non-controlling interests of a subsidiary of HK\$39.0 million), which were denominated in Hong Kong dollar, unsecured and interest-free, among which HK\$39.0 million was repayable at the discretion of non-controlling interests and availability of surplus fund of a subsidiary, and the remaining HK\$0.5 million was repayable by another subsidiary after payment of all operating expenses and payables including but not limited to bank loans and third party loans which are due for repayment together with the accrued interest. The Group was in a net cash position as at 30 September 2021 and hence its gearing ratio (calculated as net debt divided by total equity plus net debt) was zero (31 March 2021: zero).

During the Period, the Company had repurchased 12,270,000 shares (the “**Repurchased Shares**”) of its own shares from the market using internal resources, at an aggregate consideration of HK\$14.6 million, and an average price of HK\$1.187 per share. The Repurchased Shares were cancelled during the Period, and hence the total number of issued shares of the Company right after its cancellation was reduced by about 1.0% to 1,197,305,983 (31 March 2021: 1,209,575,983) shares and its issued share capital was HK\$120,000 (31 March 2021: HK\$121,000) as at 30 September 2021. 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 2021, assets with carrying values of approximately HK\$2.0 billion (31 March 2021: HK\$2.0 billion) were pledged to two banks as security for banking facilities of a total of HK\$520.0 million (31 March 2021: HK\$520.0 million). The facilities remained undrawn and available as at 30 September 2021 and 31 March 2021. In addition, the Group has a bank deposit of HK\$64.1 million (31 March 2021: HK\$63.0 million) pledged as security deposit for obtaining a bank guarantee in the amount of approximately Macau Patacas (“**MOP**”) 65.4 million (equivalent to HK\$62.6 million) in favour of SJM for the Group's fulfilment of all its obligations, as stipulated under the service agreement between the Group and SJM, and another bank deposit of HK\$0.4 million (31 March 2021: HK\$0.4 million) pledged as security deposit for the use of ferry ticket equipment provided by a third party.

MANAGEMENT DISCUSSION AND ANALYSIS

Acquisition of Subsidiaries

On 28 May 2021, an indirect non-wholly owned subsidiary of the Company completed the acquisition of the entire equity interest of Poly Keen International Limited (“**Poly Keen**”) and the loan due by Poly Keen to a direct wholly-owned subsidiary of Emperor International at a cash consideration of HK\$2,048.8 million, details of which were set out in the joint announcement of the Company and Emperor International dated 16 March 2021 and the Company’s circular dated 30 April 2021.

Poly Keen and its subsidiaries (collectively referred to as “**Poly Keen Group**”) are principally engaged in hospitality business and property investment in Hong Kong.

EMPLOYEES AND REMUNERATION POLICY

After the Acquisition, the Group’s number of employees as at 30 September 2021 increased to 869 (31 March 2021: 770). Total staff costs including Directors’ remuneration and the other staff costs for the Period were HK\$172.7 million (2020: HK\$154.1 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 declares an interim dividend of HK\$0.015 per share (“**Interim Dividend**”) (2020: HK\$0.015 per share) amounting to approximately HK\$18.0 million (2020: HK\$18.2 million). The Interim Dividend will be payable on 23 December 2021 (Thursday) to shareholders whose names appear on the register of members of the Company on 14 December 2021 (Tuesday).

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 13 December 2021 (Monday) to 14 December 2021 (Tuesday) (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 10 December 2021 (Friday).

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 September 2021

	Notes	Six months ended 30 September	
		2021 (Unaudited) HK\$'000	2020 (Unaudited) HK\$'000
Revenue			
Contracts with customers	3(a)	212,633	84,956
Leases	3(b)	10,746	7,919
Total revenue		223,379	92,875
Cost of sales		(12,450)	(6,500)
Cost of hotel and gaming operations		(230,338)	(194,800)
Direct operating expenses in respect of leasing of investment properties		(2,722)	–
Gross loss		(22,131)	(108,425)
Other income		11,537	34,697
Fair value changes of investment properties		37,300	(14,300)
Other gain and loss		3,888	(2,676)
Impairment allowance reversed for trade receivables		–	79
Selling and marketing expenses		(42,667)	(12,702)
Administrative expenses		(90,552)	(78,110)
Finance costs	5	(1,383)	(745)
Loss before taxation	6	(104,008)	(182,182)
Taxation credit	7	1,134	7,829
Loss for the period		(102,874)	(174,353)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 September 2021

		Six months ended 30 September	
		2021 (Unaudited) HK\$'000	2020 (Unaudited) HK\$'000
	Note		
Other comprehensive income (expense)			
<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
Reclassification adjustments for amount transferred to profit or loss upon disposal of debt instruments at fair value through other comprehensive income		–	(3,270)
Other comprehensive expense for the period		–	(2,416)
Total comprehensive expense for the period		(102,874)	(176,769)
Loss for the period attributable to:			
Owners of the Company		(83,968)	(141,810)
Non-controlling interests		(18,906)	(32,543)
		(102,874)	(174,353)
Total comprehensive expense for the period attributable to:			
Owners of the Company		(83,968)	(144,409)
Non-controlling interests		(18,906)	(32,360)
		(102,874)	(176,769)
Loss per share	9		
Basic		HK\$(0.07)	HK\$(0.12)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2021

	Notes	As at	
		30 September 2021 (Unaudited) HK\$'000	31 March 2021 (Audited) HK\$'000
Non-current assets			
Investment properties	10	1,176,800	624,500
Property, plant and equipment	10	2,607,547	1,140,345
Right-of-use assets	10	455,134	459,271
Deposits paid for acquisition of property, plant and equipment		14,918	12,712
Pledged bank deposit		64,134	63,000
Goodwill		110,960	110,960
		4,429,493	2,410,788
Current assets			
Inventories, at cost		12,267	11,738
Trade and other receivables	11	145,876	169,271
Pledged bank deposit		353	353
Short-term bank deposits		164,901	1,415,665
Bank balances and cash		936,866	1,861,052
		1,260,263	3,458,079
Current liabilities			
Trade and other payables	12	138,636	127,257
Amounts due to fellow subsidiaries		3,143	3,137
Amounts due to non-controlling interests of subsidiaries		39,523	39,000
Taxation payable		187,521	186,641
Lease liabilities		2,189	1,234
		371,012	357,269

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2021

	Note	As at	
		30 September 2021 (Unaudited) HK\$'000	31 March 2021 (Audited) HK\$'000
Net current assets		889,251	3,100,810
Total assets less current liabilities		5,318,744	5,511,598
Non-current liabilities			
Lease liabilities		29,493	26,110
Deferred taxation		88,189	88,233
		117,682	114,343
Net assets		5,201,062	5,397,255
Capital and reserves			
Share capital	13	120	121
Reserves		4,256,604	4,433,573
Equity attributable to owners of the Company		4,256,724	4,433,694
Non-controlling interests		944,338	963,561
Total equity		5,201,062	5,397,255

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2021

	Attributable to owners of the Company										
	Share capital HK\$'000	Share premium HK\$'000	Capital redemption reserve HK\$'000	Property revaluation reserve HK\$'000	Investments 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 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 13)	(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
At 1 April 2021 (Audited)	121	436,765	677	24,582	-	287	396,958	3,574,304	4,433,694	963,561	5,397,255
Loss and total comprehensive expense for the period	-	-	-	-	-	-	-	(83,968)	(83,968)	(18,906)	(102,874)
Acquisition of subsidiaries (note 15)	-	-	-	-	-	-	-	-	-	(875)	(875)
Acquisition of additional interests in a non-wholly owned subsidiary	-	-	-	-	-	-	(566)	-	(566)	558	(8)
Ordinary shares repurchased and cancelled (note 13)	(1)	-	1	-	-	-	-	(14,611)	(14,611)	-	(14,611)
2021 final dividend paid in cash	-	-	-	-	-	-	-	(17,960)	(17,960)	-	(17,960)
2022 special dividend paid in cash	-	-	-	-	-	-	-	(59,865)	(59,865)	-	(59,865)
At 30 September 2021 (Unaudited)	120	436,765	678	24,582	-	287	396,392	3,397,900	4,256,724	944,338	5,201,062

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2021

	Six months ended 30 September	
	2021 (Unaudited) HK\$'000	2020 (Unaudited) HK\$'000
Net cash used in operating activities	(64,403)	(140,611)
Net cash used in investing activities	(763,239)	(1,034,324)
Net cash used in financing activities	(96,544)	(58,125)
Net decrease in cash and cash equivalents	(924,186)	(1,233,060)
Cash and cash equivalents at the beginning of the reporting period	1,861,052	2,563,308
Cash and cash equivalents at the end of the reporting period, representing bank balances and cash	936,866	1,330,248

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2021

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 on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

These condensed consolidated financial statements should be read in conjunction with the Group’s annual financial statements for the year ended 31 March 2021.

1A. SIGNIFICANT EVENTS AND TRANSACTION IN THE CURRENT INTERIM PERIOD

The ongoing Covid-19 pandemic and the corresponding quarantine measures as well as travel restrictions continued to have an adverse effect on the Group’s operating results for the Period. However, it showed an improvement in comparison with the last corresponding period. Supported by a gradual recovery of the gaming market in Macau as result of the ease of Macau’s entry requirements/quarantine measures and an improvement in entertainment and consumption sentiments, mainly among mainland China visitors, the gaming revenue of the Group increased apparently during the Period as compared to the last corresponding period. In addition, the completed Acquisition has enabled the Group to expand its business coverage and widen its income source beyond Macau to Hong Kong.

Despite the Group had utilised HK\$2,048,832,000 for the Acquisition, it maintained a strong cash position (including short-term bank deposits and bank balances and cash) in a total of HK\$1,101,767,000 and was in a net cash position with a zero gearing ratio (calculated as net debt divided by total equity plus net debt) as of 30 September 2021. Hence, the financial position of the Group remained stable.

At present, given the evolving conditions of and in response to the Covid-19 pandemic, including the appearance of Covid-19 variants, the Group is unable to foresee the change in travel restrictions which is subject to the development of the pandemic situation. Since the duration and future development of the Covid-19 pandemic are uncertain, the relevant financial implication to the Group may remain in the future results. The management will closely monitor the developments of the pandemic situation and continue to strictly control daily operational and capital expenditures as well as adjust the business strategies of the Group in order to mitigate any adverse impact that may happen in the future.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2021

2. SIGNIFICANT 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.

Other than changes in accounting policies resulting from application of amendments to Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the HKICPA and in respect of business combinations as a result of the Acquisition, 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 2021.

Application of amendments to HKFRSs

In the Period, the Group has applied, 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 2021 for the preparation of the Group’s unaudited condensed consolidated financial statements:

Amendments to HKFRS 9, *Interest Rate Benchmark Reform – Phase 2*
HKAS 39, HKFRS 7,
HKFRS 4 and HKFRS 16

The application of 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.

Application of accounting policies in respect of business combinations

Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred. At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2021

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Application of accounting policies in respect of business combinations (Continued)

Business combinations (Continued)

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with HKAS 12 *Income Taxes* and HKAS 19 *Employee Benefits* respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with HKFRS 2 *Share-based Payment* at the acquisition date;
- assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that standard; and
- lease liabilities are recognised and measured at the present value of the remaining lease payments (as defined in HKFRS 16) as if the acquired leases were new leases at the acquisition date. Right-of-use assets are recognised and measured at the same amount as the relevant lease liabilities, adjusted to reflect favourable or unfavourable terms of the lease when compared with market terms.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net amount of the identifiable assets acquired and the liabilities assumed as at acquisition date. If, after re-assessment, the net amount of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

When the consideration transferred by the Group in a business combination includes a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively. Measurement period adjustments are adjustments that arise from additional information obtained during the "measurement period" (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2021

3. REVENUE

(a) Contracts with customers

	Six months ended 30 September	
	2021 (Unaudited) HK\$'000	2020 (Unaudited) HK\$'000
An analysis of the Group's revenue is as follows:		
Recognised over time:		
Gaming revenue:		
– Service income from gaming transactions in mass market hall	108,597	37,205
– Service income from gaming transactions in VIP room	31,655	6,028
– Service income from gaming transactions in slot machine hall	9,479	7,861
	149,731	51,094
Hotel revenue:		
– Hotel room income	24,607	15,138
	174,338	66,232
Recognised at a point in time:		
Hotel revenue:		
– Food and beverage sales	38,051	18,724
– Others	244	–
	38,295	18,724
Revenue from contracts with customers	212,633	84,956
Gaming revenue	149,731	51,094
Hotel revenue	62,902	33,862
Revenue from contracts with customers	212,633	84,956

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2021

3. REVENUE (Continued)

(a) Contracts with customers (Continued)

Transaction price allocated to the remaining performance obligations for contracts with customers

All sales or services rendered for gaming and hotel transactions are for contracts with an original period of one year or less. As a practical expedient under HKFRS 15, the transaction price allocated to these remaining performance obligations is not disclosed.

(b) Leases

	Six months ended 30 September	
	2021 (Unaudited) HK\$'000	2020 (Unaudited) HK\$'000
Total revenue arising from leases:		
– Operating lease payments that are fixed	10,746	7,919

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.

During the Period, the Group acquired the business engaging in hotel and hotel-related operations and lease of investment properties in Hong Kong by acquisition of Poly Keen Group (as detailed in note 15), and it is considered as a new operating and reporting segment by the CODM. In light of the businesses acquired during the Period, the Group reorganised its internal reporting structure which resulted in changes to the composition of its reporting segments by geographical operations, which are Macau operations and Hong Kong operations, respectively. The CODM are of the view that the revised presentation of the operating segment information better reflects the Group’s operations and this is consistent with the internal information regularly reviewed by the CODM for the purposes of resources allocation and assessment of performance. Prior period segment disclosures have been represented to conform with the current period’s presentation.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2021

4. SEGMENT INFORMATION (Continued)

The Group's operating segments are classified as (i) Macau operations and (ii) Hong Kong operations. The details of the Group's operating segments are as follows:

- (i) Macau operations – Operations in Macau derive revenues from gaming, hotel and leasing transactions: (a) gaming revenue from services rendered for mass market hall, VIP room and slot machine hall transactions and provision of gaming-related marketing and public relation services for Grand Emperor Hotel in Macau, (b) hotel revenue from sales or services rendered in Grand Emperor Hotel and Inn Hotel, and (c) leasing revenue from investment properties in these hotels in Macau.
- (ii) Hong Kong operations – Operations in Hong Kong derive revenues from hotel and leasing transactions: (a) hotel revenue from sales or services rendered in a hotel in Hong Kong and (b) leasing revenue from investment properties in the hotel and serviced apartments in Hong Kong.

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2021

4. SEGMENT INFORMATION (Continued)

Information regarding the above segments is reported as below:

Segment revenue and results

For the six months ended 30 September 2021

	Macau operations (Unaudited) HK\$'000	Hong Kong operations (Unaudited) HK\$'000	Total (Unaudited) HK\$'000
SEGMENT REVENUE			
Gaming revenue	149,731	–	149,731
Hotel revenue	42,087	20,815	62,902
Leasing revenue	5,866	4,880	10,746
Total	197,684	25,695	223,379
Segment result based on the Adjusted LBITDA	(80,658)	(386)	(81,044)
Bank interest income			10,764
Depreciation of property, plant and equipment			(63,524)
Depreciation of right-of-use assets			(10,009)
Exchange gain at corporate level			3,888
Fair value changes of investment properties			37,300
Finance costs			(1,383)
Loss before taxation			(104,008)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2021

4. SEGMENT INFORMATION (Continued)

Segment revenue and results (Continued)

For the six months ended 30 September 2020

	Macau operations (Unaudited) HK\$'000	Hong Kong operations (Unaudited) HK\$'000	Total (Unaudited) HK\$'000
SEGMENT REVENUE			
Gaming revenue	51,094	–	51,094
Hotel revenue	33,862	–	33,862
Leasing revenue	7,919	–	7,919
Total	92,875	–	92,875
Segment result based on the Adjusted LBITDA	(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)
Loss before taxation			(182,182)

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 2021

5. FINANCE COSTS

	Six months ended 30 September	
	2021 (Unaudited) HK\$'000	2020 (Unaudited) HK\$'000
Interest on:		
– bank borrowings	621	–
– lease liabilities	494	507
	1,115	507
Bank charges	268	238
	1,383	745

6. LOSS BEFORE TAXATION

	Six months ended 30 September	
	2021 (Unaudited) HK\$'000	2020 (Unaudited) HK\$'000
Loss before taxation has been arrived at after charging/(crediting):		
Commission expenses in gaming transactions (included in selling and marketing expenses)	29,163	4,832
Depreciation of property, plant and equipment	63,524	48,758
Depreciation of right-of-use assets	10,009	10,061
Exchange (gain) loss (included in other gain and loss)	(3,888)	2,676
Bank interest income (included in other income)	(10,764)	(29,589)
Interest income from debt instruments at FVTOCI (included in other income)	–	(921)
Gain on disposal of debt instruments at FVTOCI (included in other income)	–	(3,270)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2021

7. TAXATION CREDIT

	Six months ended 30 September	
	2021 (Unaudited) HK\$'000	2020 (Unaudited) HK\$'000
Macau Complementary Tax ("CT")		
– current period	(872)	(166)
Deferred taxation	2,006	7,995
Taxation credit	1,134	7,829

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\$0.015 (2020: HK\$0.030) per share with an aggregate amount of approximately HK\$17,960,000 (2020: HK\$36,833,000) was paid to the shareholders of the Company during the respective periods as the final dividend for the years ended 31 March 2021 and 31 March 2020. A dividend of HK\$0.050 per share with an aggregate amount of approximately HK\$59,865,000 was paid to the shareholders of the Company during the Period as the special dividend for the year ending 31 March 2022 (2020: Nil).

The Board has resolved to declare an interim dividend of HK\$0.015 (2020: HK\$0.015) per share for the year ending 31 March 2022.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2021

9. LOSS PER SHARE

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

	Six months ended 30 September	
	2021 (Unaudited) HK\$'000	2020 (Unaudited) HK\$'000
Loss		
Loss (loss for the period attributable to owners of the Company) for the purpose of basic loss per share	(83,968)	(141,810)

	Six months ended 30 September	
	2021 (Unaudited)	2020 (Unaudited)
Number of shares		
Weighted average number of ordinary shares in issue for the purpose of basic loss per share	1,198,111,202	1,230,402,185

Diluted loss 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 2021

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
Fair value/Carrying amounts			
At 1 April 2021 (Audited)	624,500	1,140,345	459,271
Acquisition of subsidiaries (<i>note 15</i>)	515,000	1,525,489	–
Additions	–	5,306	5,872
Disposals	–	(69)	–
Depreciation for the Period	–	(63,524)	(10,009)
Increase in fair value	37,300	–	–
At 30 September 2021 (Unaudited)	1,176,800	2,607,547	455,134

As at 30 September 2021 and 31 March 2021, the investment properties represent completed investment properties situated in Macau and Hong Kong and are held for rental under operating leases.

For the investment properties situated in Macau, they 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. For the investment properties situated in Hong Kong, they are not 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.

The fair values of the Group's investment properties as at 30 September 2021 and 31 March 2021 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 2020 issued by The Hong Kong Institute of Surveyors.

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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2021

11. TRADE AND OTHER RECEIVABLES

	As at	
	30 September 2021 (Unaudited) HK\$'000	31 March 2021 (Audited) HK\$'000
Trade receivables	46,759	61,841
Less: Impairment allowance	(20,879)	(20,879)
	25,880	40,962
Chips on hand	61,644	54,666
Other receivables and prepayments	58,352	73,643
	145,876	169,271

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 2021 (Unaudited) HK\$'000	31 March 2021 (Audited) HK\$'000
0 – 30 days	9,339	25,905
31 – 60 days	853	959
61 – 90 days	830	359
91 – 180 days	1,922	839
Over 180 days	12,936	12,900
	25,880	40,962

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.

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 2021

12. TRADE AND OTHER PAYABLES

	As at	
	30 September 2021 (Unaudited) HK\$'000	31 March 2021 (Audited) HK\$'000
Trade payables	9,105	9,374
Chips in custody and deposits from gaming patrons	19,439	19,730
Construction payables and accruals	1,352	1,058
Other payables and accruals	77,284	66,159
Accrued staff costs	13,456	12,936
Short-term advance	18,000	18,000
	138,636	127,257

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 2021 (Unaudited) HK\$'000	31 March 2021 (Audited) HK\$'000
0 – 30 days	4,048	3,552
31 – 60 days	4,608	5,247
61 – 90 days	41	317
91 – 180 days	92	74
Over 180 days	316	184
	9,105	9,374

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 2021

13. SHARE CAPITAL

	Number of shares	Share capital HK\$'000
Ordinary shares of HK\$0.0001 each		
Authorised:		
At 1 April 2020, 30 September 2020, 1 April 2021 and 30 September 2021	2,000,000,000,000	200,000
Issued and fully paid:		
At 1 April 2020 (Audited)	1,234,240,983	123
Share repurchased and cancelled (<i>note</i>)	(16,715,000)	(2)
At 30 September 2020 (Unaudited)	1,217,525,983	121
At 1 April 2021 (Audited)	1,209,575,983	121
Share repurchased and cancelled (<i>note</i>)	(12,270,000)	(1)
At 30 September 2021 (Unaudited)	1,197,305,983	120

Note: During the Period, the Company had repurchased and cancelled 12,270,000 (2020: 16,715,000) shares of its own shares from the market at an aggregate consideration of HK\$14,611,000 (2020: HK\$19,103,000) (including the relevant transaction costs and expenses of HK\$50,000 (2020:HK\$66,000)). The average price of the Repurchased Shares was HK\$1.187 (2020: HK\$1.139) per share.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2021

14. PLEDGE OF ASSETS

- (a) As at 30 September 2021, 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 2021 (Unaudited) HK\$'000	31 March 2021 (Audited) HK\$'000
Hotel properties	890,285	907,921
Investment properties	644,800	624,500
Right-of-use assets	449,638	458,413
Others (note)	31,989	28,855
	2,016,712	2,019,689

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 2021, the Group pledged a bank deposit of HK\$64,134,000 (31 March 2021: HK\$63,000,000) to a bank for obtaining a bank facility granted to a wholly-owned subsidiary of the Company. The bank facility entails a bank guarantee amounting to 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 a service agreement entered into between the wholly-owned subsidiary of the Company and SJM on 19 February 2010 (as supplemented by an addendum dated 4 May 2020).
- (c) As at 30 September 2021, the Group also pledged a bank deposit of HK\$353,000 (31 March 2021: HK\$353,000) 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 2021

15. ACQUISITION OF SUBSIDIARIES

On 28 May 2021, Emperor Hotel Investment Limited (“**Emperor Hotel Investment**”), an indirect non-wholly owned subsidiary of the Company, completed the acquisition of the entire equity interest of Poly Keen and the loan due by Poly Keen to Emperor Hotel Group Limited (“**Emperor Hotel Group**”), a direct wholly-owned subsidiary of Emperor International, at a total cash consideration of HK\$2,048,832,000. Poly Keen Group are principally engaged in hospitality business and property investment in Hong Kong. The Acquisition has been accounted for as acquisition of business using the acquisition method and no goodwill was recognised as a result of the Acquisition.

Acquisition-related costs amounting to HK\$1,578,000 have been excluded from the consideration transferred and have been recognised directly as an expense in the period within the “administrative expenses” line item in the condensed consolidated statement of profit or loss or other comprehensive income.

Fair values of assets and liabilities of Poly Keen Group recognised at the date of the Acquisition are as follows:

	(Unaudited) HK\$'000
Investment properties (<i>note 10</i>)	515,000
Property, plant and equipment (<i>note 10</i>)	1,525,489
Inventories	763
Trade and other receivables	7,843
Bank balances and cash	18,824
Trade and other payables	(15,902)
Taxation payable	(8)
Amount due to non-controlling interests of a subsidiary	(2,090)
Deferred taxation	(1,962)
	2,047,957
Goodwill arising on the Acquisition:	
Consideration paid in cash	2,048,832
Add: Non-controlling interests	(875)
Less: Net assets acquired	(2,047,957)
	—

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2021

15. ACQUISITION OF SUBSIDIARIES (Continued)

Net cash outflows arising on the Acquisition for the Period:

	(Unaudited) HK\$'000
Cash consideration paid	(2,048,832)
Less: cash and cash equivalent balances acquired	18,824
	(2,030,008)

Included in the loss for the Period of the Group is HK\$1,509,000 attributable to Poly Keen Group. Revenue for the Period includes HK\$25,695,000 that is attributable to Poly Keen Group.

Had the Acquisition been effected at the beginning of the Period, the total amount of revenue of the Group for the Period would have been HK\$233,801,000, and the amount of loss for the Period would have been HK\$113,958,000.

16. CAPITAL COMMITMENTS

	As at	
	30 September 2021 (Unaudited) HK\$'000	31 March 2021 (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	3,346	8,082

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2021

17. RELATED PARTY TRANSACTIONS

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

	Six months ended 30 September	
	2021 (Unaudited) HK\$'000	2020 (Unaudited) HK\$'000
Advertising fee to a related company	–	32
Food and beverage sales to related companies and fellow subsidiaries	661	–
Professional service fee to a related company	210	195
Purchase of merchandising goods from a related company	15	336
Reimbursement of administrative expenses to fellow subsidiaries	6,734	5,767
Rental income from a related company	1,889	1,641
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. Yeung Sau Shing, Albert (“**Dr. Albert Yeung**”) is the founder and settlor.

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

	Six months ended 30 September	
	2021 (Unaudited) HK\$'000	2020 (Unaudited) HK\$'000
Fees	580	580

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2021

17. RELATED PARTY TRANSACTIONS (Continued)

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

	As at	
	30 September 2021 (Unaudited) HK\$'000	31 March 2021 (Audited) HK\$'000
Amounts due to fellow subsidiaries	3,143	3,137
Amounts due to non-controlling interests of subsidiaries	39,523	39,000

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SECURITIES

As at 30 September 2021, 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 of Hong Kong Limited (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 (the “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	71.11%

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 2021, 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 shares interested	% of issued 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	4,298,610,000 <i>(Note)</i>	63.41%
	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: Emperor International, Emperor W&J, Emperor Culture and Ulferts are companies with their shares listed on the Stock Exchange. 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 in a controlled corporation	HK\$2,000,000

Save as disclosed above, as at 30 September 2021, 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 SHARES AND UNDERLYING SHARES

So far as is known to any Directors or chief executives of the Company, as at 30 September 2021, 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	71.11%
AY Holdings	Interest in a controlled corporation	851,352,845	71.11%
First Trust	Trustee of a private discretionary trust	851,352,845	71.11%
Dr. Albert Yeung	Founder of a private discretionary trust	851,352,845	71.11%

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

Save as disclosed above, as at 30 September 2021, the Directors or chief executives of the Company were not aware of any other person or corporation (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 any 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 as set out in Appendix 10 of the Listing Rules regarding Model Code for Securities Transactions by Directors of Listed Issuers (“**Model Code**”). 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 2020/2021 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 12,270,000 Shares at an aggregate consideration of HK\$14,561,200 (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\$
April 2021	12,270,000	1.29	1.09	14,561,200

As at 30 September 2021, all of the Repurchased Shares were cancelled. The repurchase was 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 2021, there was a total of 1,197,305,983 (31 March 2021: 1,209,575,983) Shares in issue.

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

Hong Kong, 25 November 2021

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

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.