

Emperor Entertainment Hotel Limited (“Company”) and its subsidiaries (collectively referred to as “Group”) currently engages in provision of hospitality and entertainment services, which covers a total of six hotels and serviced apartments in Hong Kong and Macau, as follows:

- The Emperor Hotel and three blocks of The Unit Serviced Apartments in Hong Kong – namely The Unit Morrison Hill, The Unit Happy Valley and The Unit Davis; and
- Grand Emperor Hotel (with gaming facilities) and Inn Hotel in Macau.

About The Emperor Hotel

The 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 115,700 square feet. The 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 The Unit Morrison Hill

Situated at the vibrant junction of Wan Chai and Causeway Bay, The Unit Morrison Hill 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, The Unit Morrison Hill redefines the contemporary way of life.

About The Unit Happy Valley

The Unit Happy Valley, a 21-storey, 68-unit block located 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 The Unit Davis

The Unit Davis is a 22-storey serviced apartments building on Davis Street, within the Kennedy Town and Mount Davis area of Hong Kong Island, with a total of 57 units. Spurred by the opening of Kennedy Town station – which provides a convenient link to Hong Kong’s central business district as well as dining and entertainment areas such as Sai Ying Pun, Lan Kwai Fong and Soho, the area has become a vibrant neighbourhood with new residential and commercial offerings.

About Grand Emperor Hotel

Located on the Macau Peninsula, Grand Emperor Hotel is a 26-storey hotel with a gross floor area of approximately 655,000 square feet and 311 guest rooms. It 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. In addition, it offers gaming tables in the mass market hall and slot machines. With strong commitment to providing guests with unparalleled hospitality experience, the Group delivers consistently top-quality services that translate into high levels of customer satisfaction and loyalty.

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 285 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.

RESULTS

Benefiting from the revival in visitor arrivals and a recovery in hospitality and entertainment demand, the Group’s total revenue grew significantly during the year ended 31 March 2024 (“Year”) by 171.1% to HK\$789.3 million (2023: HK\$291.1 million), with the revenue from hotels and serviced apartments increasing by 62.3% to HK\$330.1 million (2023: HK\$203.4 million) and gaming revenue surging by 423.6% to HK\$459.2 million (2023: HK\$87.7 million). Due to a significant increase in total revenue, the Group achieved a turnaround during the Year; hence a net profit of HK\$62.8 million (2023: net loss of HK\$128.0 million) was recorded. Basic earnings per share was HK\$0.05 (2023: basic loss of HK\$0.08 per share).

BUSINESS REVIEW

Hotels and Serviced Apartments Revenue

With the revival of hospitality demand and the Group's expanded portfolio of serviced apartments, revenue from hotels and serviced apartments increased by 62.3% to HK\$330.1 million (2023: HK\$203.4 million) during the Year, accounting for 41.8% (2023: 69.9%) of the Group's total revenue. This revenue comprised room revenue of HK\$166.2 million (2023: HK\$85.2 million), food and beverage revenue of HK\$114.5 million (2023: HK\$74.0 million), and rental income and other revenue of HK\$49.4 million (2023: HK\$44.2 million).

Gaming Revenue

Due to the rebound in consumption sentiment and entertainment demand during the Year, the Group's gaming revenue surged over 423.6% to HK\$459.2 million (2023: HK\$87.7 million), accounting for 58.2% (2023: 30.1%) of the Group's total revenue.

OUTLOOK

Supported by the Hong Kong government's initiatives and promotional efforts, various international activities and mega events will be rolled out to enhance Hong Kong's offerings and attractiveness, solidifying Hong Kong's position as an international tourist destination. There is now comprehensive infrastructure that enables more convenient and efficient transportation options for Mainland Chinese tourists, making it easier for them to visit Hong Kong and experience its unique culture and hot spots. Particularly in light of the expanding middle class, the Group believes that outbound tourism from Mainland China will continue growing.

Macau is the world's largest gaming market and a leading leisure and entertainment hub in Asia. It is not just popular with Mainland Chinese tourists, but also tourists from Hong Kong and Taiwan, as well as other countries in Asia. With the enhanced transportation infrastructure connecting to nearby cities and Macau's diversified leisure offerings and distinctive attractions, the Group is optimistic about the sustainable long-term growth of the Macau market.

The Group will continue strengthening its market presence by enhancing the guest experience, implementing better customer segmentation and capitalising on its brand reputation, which is spearheaded by its experienced management team with a proven track record in hospitality services.

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\$645.8 million (2023: HK\$503.3 million) as at 31 March 2024, which were mainly denominated in Hong Kong dollar. The Group funded its operations and capital expenditure by cash generated from its operations and deposits reserved at the banks. During the Year, 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.

The Group's current assets and current liabilities as at 31 March 2024 were HK\$705.4 million (2023: HK\$566.8 million) and HK\$200.8 million (2023: HK\$253.2 million), respectively. As at 31 March 2024, the advances from non-controlling interests of subsidiaries of the Company totalled HK\$39.5 million (2023: HK\$39.5 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 31 March 2024 and hence its gearing ratio (calculated as net debt divided by total equity) was zero (2023: zero).

Pledge of Assets

As at 31 March 2024, assets with carrying values of approximately HK\$600.1 million (2023: HK\$613.2 million) were pledged to a bank as security for a banking facility of HK\$419.7 million (2023: HK\$408.7 million). The facility remained undrawn and available as at 31 March 2024 and 31 March 2023. In addition, the Group has a bank deposit of HK\$30.8 million (2023: HK\$65.9 million) pledged as security deposit for obtaining a bank guarantee in the amount of approximately Macau Patacas ("MOP") 30.9 million (equivalent to HK\$30.0 million) (2023: MOP64.5 million (equivalent to HK\$62.6 million)) in favour of SJM Resorts, S.A. ("SJM") for the Group's fulfilment of all its obligations, as stipulated under the service agreement and the addendum between the Group and SJM. As at 31 March 2024, another bank deposit of HK\$0.3 million (2023: HK\$0.3 million) was pledged as security deposit for the use of ferry ticket equipment provided by a third party.

EVENT AFTER THE REPORTING PERIOD

Proposed Acquisition of Property Interests

On 24 May 2024, an indirect non-wholly owned subsidiary of the Company entered into a sale and purchase agreement with a direct wholly-owned subsidiary of Emperor International Holdings Limited (“Emperor International”) (“Vendor”) to acquire the entire issued share capital of Star Omen Limited (“Star Omen”) and its loan due from the Vendor (“Transaction”). Star Omen and its subsidiaries (collectively referred to as “Star Omen Group”) mainly own a property situated at Nos. 20–26 Old Bailey Street & No. 11 Chancery Lane, Central, Hong Kong, and through the acquisition of Star Omen Group, the Group would acquire the property, which is at an agreed value of HK\$700.0 million by both parties. Subject to fulfillment of conditions precedent, Star Omen Group will become indirect non-wholly owned subsidiaries of the Company upon completion of the acquisition. Details of the Transaction were set out in the joint announcement of the Company and Emperor International dated 24 May 2024. As at the date of this announcement, the Transaction has not yet been completed and is subject to the approval of the Company’s independent shareholders at a special general meeting tentatively to be held in July 2024.